The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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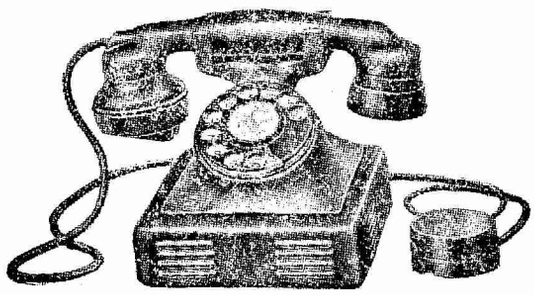

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密勒氏評論報

The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 66 | Shanghai, China, Saturday, September 9, 1933 | Number 2

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 88 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; HOH CHIH-HSIANG, Asst. Editor; TRYPHON KU, Advertising Dept.; F. K. CHAO, Business Dept.

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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DID CHANG HSUEH-LIANG BRIBE JAP PARLIAMENTARIANS?

DR. KOTARO NAKAGAWA, attorney for the defendants in the army court martial who are being tried for complicity in the murders of Premier Inukai, Ex-finance Minister Inouye and Baron Takuma Dan which occurred on May 15 last year, declared at the hearing on Aug. 22 that two members of the Japanese House of Representatives had received bribes amounting to Yen 500,000 from the former Mukden military authorities. More, Dr. Nakagawa produced in court alleged copies of receipts which the Japanese parliamentarians had given Marshal Chang for the money. Nothing further was said regarding Marshal Chang's object in paying the Japanese parliamentarians this considerable sum of money, but Dr. Nagakawa's purpose in exploiting the matter was to prove the general corruption of Japanese politicians. Incidentally he demanded at the same time that the proposed sentences for the military murderers be reduced from eight years to three years, this being accompanied by the familiar claim that the 40 odd army and naval men and associated civilians in the uprising were acting patriotically. There probably never has been a worse example of miscarriage of justice in any country than that which has been presented in the trials of the army and navy men involved in these outrages. As a matter of fact the trials have been nothing more nor less than political demonstrations staged by the military authorities with the obvious object of discrediting representative government and paving the way for a military dictatorship.

The trial of fanatical Buddhist monk Nissho Inouye and his thirteen civilian associates, who were involved with the military men in the murders has not as yet been scheduled due to Monk Inouye's objection to the competency of the court which is to try him. One of the Tokyo newspapers suggested that it may be necessary to postpone the trial indefinitely. In the meantime the Young Men's Association and the Reservists Associations, assisted by certain Buddhists organizations and labor unions in the districts where war munitions are manufactured, are openly stirring up public sympathy for the accused despite the fact such activities are in violation of the so-called law of petition. The men in the background whose teachings were really responsible for the uprising, Dr. Shumei Okawa, Kaza-

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buro Tachibana and Ikki Kita, have not been arrested and probably never will be according to reports in the Japanese newspapers. Nissho Inouye, follower of the militant Buddhist sect, who led the civilians involved in the murders has had a most interesting career. He was born in 1885 and in 1910 went to Manchuria where he served as a liaison officer of the army general staff on the South Manchuria Railway. Later he went to Peking where he was assigned to special duty on the staff of Gen. Rihachiro Banzai, military adviser to Yuan Shih-kai. During the course of the World War Inouye was a spy connected with the Japanese garrison in Tientsin. He then went to Shantung and participated in a Chinese civil war as an adviser on the staff of a General Yu and also with Gen. Tuan Chi-jui. He then became a general "trader" in Tientsin but returned to Japan in 1921. Back in his home country he joined the so-called Blood Brotherhood and devoted himself to the teaching of terrorist doctrines to young men, operating from his headquarters in a temple. The statesmen and business leaders he and his followers had marked out for assassination included, the aged Genro, Prince Saionji; Count Nobuaki Makino, Lord Keeper of the Privy Seal; the late Tsuyoshi Inukai, who was then premier; Dr. Kisaburo Suzuki, the present president of the Seiyukai; Baron Reijiro Wakatsuki, president of the Minseito; Takejiro Tokonami, ex-home minister; Baron Kijuro Shidehara, ex-foreign minister; Count Miyoji Ito, a Privy Councillor; Prince Iesato Tokugawa, president of the Upper House; Nariakira Ikeda, Baron Seinosuki Go and Baron Hachiroemon Mitsui of the Mitsui interests; Kusuyata Kimura, Kenkichi Kagami and Baron Koyata Iwasaki of the Mitsubishi Interests; Baron Kichizaemon Sumitomo of the Sumitomo interests; Baron Kishichiro Okura, head of the Okura firm; and Zenjiro Yasuda of the Yasuda interests.

THE NEW BRITISH MINISTER TO CHINA

CHINESE profess to see significance in Britain's appointment of Hon. Alexander George Montagu Cadogan as Minister in succession to Sir Miles Lampson, from two different standpoints. First, he has been head of the League of Nations section of the British Foreign Office and second, he is closely related by marriage to the Earl of Gosford, leading director of the British-American Tobacco Company, most important British commercial interest in China. From the standpoint of the League, Mr. Cadogan was present at Geneva during the debates on the Sino-Japanese question, hence is supposed to be in close touch with the inside developments on that issue, and especially the present move of the League to establish cooperation with China through the sending of technical experts to assist China in various reconstruction activities. From the standpoint of the British-American Tobacco Company, Mr. Cadogan's connection with that important manufacturing and marketing organization is through his wife, Lady Cadogan who is the daughter of the 4th Earl of Gosford, who died in 1922, and the sister of the present holder of that title, who is a leading director of the British-American Tobacco Company. Incidentally the *North-China Daily News*, leading British organ in China, omitted the paragraph referring to the B. A. T. from the *Reuter* report received in Shanghai on Sunday night, Sept. 3, which appeared in the other two morning newspapers. The Chinese have professed to see significance in this point due to the fact that there have been rumors in circulation for a considerable time that the Chinese Government has in contemplation the early creation of a state tobacco monopoly which would seriously interfere with the operations of the British-American Tobacco Company which now monopolizes the highly lucrative cigarette trade in this country. One of the local newspapers, the *Min Pao* announced on Sept. 5 that a match and tobacco monopoly was in contemplation and that Chen Kung-po, Minister of Industry was working on the scheme which was expected to increase national revenues by $100,000,000. However, the Hon. Alexander George Montagu Cadogan, C.M.G., son of the 5th Earl of Cadogan, has had long experience in the Foreign Office, first as Secretary in the Diplomatic branch and later as clerk in the Foreign Office and more recently as Counsellor of Embassy in the Diplomatic Department. He was born Nov. 25, 1884 and received his education at Eton and Oxford, holding a B. A. degree from the latter institution. He was married in 1912 to Lady Theodosia Acheson, daughter of the 4th Earl of Gosford and they have one son and three daughters. Mr. Cadogan is now attending the meeting of the League and according to the *Reuter* report, he and Lady Cadogan are expected to arrive in China before the end of the year.

RECENT MURDERS OF KOREANS IN SHANGHAI

WITHIN the past four or five weeks two well known Korean residents of Shanghai have been murdered and one seriously wounded by gunmen and there hasn't been a single arrest or even police report indicating responsibility for the outrages. Those murdered were K. B. Oak, well known businessman who was shot early in August, and Suk Yuen-kao who was killed in similar manner on August 17. The latest incident occurred on the night of Aug. 31 when Liu Ying-fah, a Korean by birth but said to be a naturalized American, was shot and dangerously wounded. And in addition to these incidents there was the kidnapping of another Korean named Wan Po-lun which occurred in Nanking during the latter part of July. In this case there was no question of responsibility for Wan Po-lun was kidnapped by police attached to the Japanese consulate in the Chinese national Capital. Wan was kidnapped in Nanking city, taken to the Japanese consulate and then transported to Korea. While no arrests have been made and no police reports have been issued regarding responsibility for the recent murders and shooting of Koreans in Shanghai, it is more than a coincidence that these outrages have followed the inauguration of a so-called "Korean department" in the local Japanese Consulate-General which is devoted to the suppression of Korean activities. Just when this Korean department was inaugurated here is not known definitely but several months ago it was announced in Tokyo that the Japanese War Department had decided to send a special officer to Shanghai, with a corps of secret police, who would be entrusted with the mission of watching over the

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Koreans. A short time after that announcement, Shanghai began to experience a succession of violent incidents wherein Koreans were the victims. One such case in the local French concession resulted disastrously for the Japanese, for the French police, observing a number of armed men entering a Korean house, thought they were Chinese robbers. The culprits were arrested and taken to the French police station where it was found they were not Chinese armed robbers, but were Japanese secret police operating under orders of the local Japanese authorities. Since that time there have been no further kidnapping attempts, but instead there have been the murders and shootings referred to in the foregoing.

AGITATION FOR FOREIGN CONTROL OF CHINESE FINANCES

MOST recent agitation for international control of Chinese finances has come from two places, Tokyo and London. Dr. Yotaro Sugimura, former Japanese representative at Geneva, who has been commissioned by the Tokyo Foreign Office to visit China for the purpose of opposing League activities in this country, was recently quoted as declaring that under present political conditions prevailing in China it would be useless to extend effective financial assistance to China "unless the country was placed under international management and control." In addition to this declaration a spokesman of the Japanese military clique was quoted in the Tokyo *Asahi* as favoring Japanese seizure of China's wireless, telegraphs and telephones as a means of enforcing repayment of the defaulted Nishihara loans and other obligations amounting, according to Japanese estimates, to more than Yen 300,000,000.

Then we read in the *Japan Advertiser* for August 3, a *Rengo* dispatch from London stating that the London *Times* had published a study of the Chinese financial situation wherein it was stated that China was incapable of putting through measures for financial reform capable of regaining the confidence of the Bank of International Settlements, "consequently international action is indispensable, not for imposing an arbitrary settlement, but for bringing China, through benevolent pressure, to appeal of her own accord for international assistance." The London *News-Chronicle* also was quoted to somewhat the same effect stating "certain quarters are contemplating energetic measures for the purpose of recovering the debts due them by China, the validity of which obligations is contested by the Nanking Government."

Both of these suggestions for some form of international financial control in China apparently were inspired by China's recent action in negotiating a $50,000,000 cotton and wheat loan in the United States, the Japanese particularly being incensed at this development and charging that China's purpose was to strengthen herself for further resistance to Japanese aggression. Coupled with these reports from Japan was a rumor that the Japanese military authorities had secretly approached certain high Chinese officials with an offer to advance to China large sums ranging from Yen 80,000,000 to Yen 100,000,000 as an offset to the American loan with a condition, of course, that China should recognize Manchukuo and discontinue all connections with America and the League.

What the outcome of the present international crisis centering in China will be no one of intelligence would dare forecast, but international financial control would appear to be the most unlikely development due to two formidable obstacles. The first and most difficult obstacle naturally would be the opposition of the Chinese people who would never consent to the enforcement of such a policy leading to their permanent enslavement while the second and almost equally formidable obstacle would be the impossibility of obtaining agreement among the various nations as to their participation in the machinery of "control." While there has been a tendency on the part of certain foreign interests to "get on the Japanese bandwagon" and reduce China to a position somewhat resembling that which prevailed when the Boxer indemnities were enforced a third of a century ago, it is unnecessary to state that conditions today are now quite different both in the Far East and elsewhere in the world.

That there is vast opportunity for financial cooperation in China on the part of foreign interests goes without saying but this does not mean by any possible stretch of the imagination a reversion to the byegone days when a foreign diplomat sat in Peking and dictated to China whether she could or could not withdraw her own money from the Customs treasury. Despite present Japanese activities in China which are designed for the purpose of reducing the country to the status of a colonial appendage of the Island empire, we imagine that future financial advances from foreign sources, particularly from America or European nations, will be designed for the purpose of speeding up the economic development of the country and improving the status of the people. It is fortunate at this juncture that there is available a most useful and constructive study of the whole question of foreign investments in China. We refer to Prof. Remer's new book which is reviewed elsewhere in this issue. After discussing the question of foreign investments in China from all possible angles, Prof. Remer arrives at the logical conclusion that the flow of capital to a country in China's position "depends upon the capacity of such a country to accept capital and put it to use." He means by this that future foreign investments in China will depend upon the opportunities which exist in the country for putting such capital to work in order that resources may be developed to the end that the capital with interest may be returned to the lender. Prof. Remer made it perfectly plain in the first paragraph of his "conclusions" that he was not concerned with advances to some impecunious general or with loans to a weak and unpopular government, but for the economic development of the country. The recent American loan to China and China's plans for obtaining technical assistance from the League indicate that the time has arrived for a new orientation of China's financial relations with the West. In this connection it is interesting to see on Page 236 of Prof. Remer's book the following statement, "It is difficult to suppose any revival of the international financial Consortium. It seems more likely that a new attempt at cooperation, if it is made, will express itself through the League of Nations." And while not stated directly by Prof.

Remer, there also appears to be another likelihood and that is that the United States will in all probability occupy in future a much more important position in China's foreign financing than has been the case in the past. One of the leading services which supplies news to the American press from the American national capital recently circulated the following brief but significant paragraph, "The 50-million-dollar loan to China to buy cotton and wheat is something more than a gesture to reduce surplus commodity stocks. It serves notice on Japan—among others—that we are willing to act aggressively to keep trade channels open."

JAPANESE ATTACK U. S. LEGATION SECRETARY AT PEIPING

THE *North-China Daily News* published on August 6 a report from its correspondent in Peiping telling of an attack by armed Japanese soldiers on Miss Emmeline Arguello, private secretary to Nelson T. Johnson, American Minister to China. The report stated that Miss Arguello, who is an American citizen and has been connected with the Legation for several years, was riding on a bridle-path near the Legation quarter when she was surrounded by a dozen Japanese soldiers carrying rifles with fixed bayonets. One of the men threw a large stone at the pony while another struck Miss Arguello on the arm, snatched away her riding whip and broke it while others seized the bridle and tried to drag her away. She was finally saved from further violence by Commander Benoit-Guyod of the French Legation Guard who was in the vicinity and went to her assistance. It seems that the Japanese troops had taken over this section of the vacant ground adjacent to the Legation Quarter for military exercises but had failed to notify the other legations or to post any notices regarding their intenions. Miss Arguello apparently was not aware of this, although the report in the *N. C. D. N.* stated that a Japanese sentry had handed a penciled note to other horseback-riders warning them to keep away from the area where the Japanese troops were exercising. Whether she had been so notified was not stated, but at any rate the incident occurred and while not serious was one of those "affairs" which in the aggregate pile up and provide the material upon which national animosities develop and ultimately wars occur. The Japanese intervention at Shanghai early last year with ensuing violence for several weeks provided plenty of these incidents here involving Americans and other foreigners while Japanese military activities in Manchuria have provided many more of the same kind or worse. These incidents, plus Japan's general campaign of military terrorism in China which requires no amplification here, are a direct result of the training to which Japanese soldiers are subjected in the Japanese Army's famous "hardening" tactics used in connection with military training. During the past summer a Japanese regiment was conducting maneuvers in the vicinity of Mount Fuji, the weather being extremely warm. The officers in charge kept on pushing the exhausted soldiers until a considerable number collapsed and several died from sunstroke. Instead of investigating the incident and punishing the officers responsible, the Tokyo War Office issued a statement condoning the incident and declaring it was incidental to the "hardening process" through which all Japanese soldiers must pass. The following report on the subject was issued by *Reuters* correspondent in Tokyo,

> "To a Western observer, many of these tests appear unnecessarily severe and seem calculated to result in tragedies such as this recent one at the base of Japan's famous sacred mountain. By the Japanese, however, these tests, which virtually permit only the survival of the fittest, are considered essential in order to ensure that every officer and man in the Army will be able to withstand whatever hardships he may be called upon to endure in the event of being sent on active service.
>
> "The classic example of a cold endurance test occurred some 30 years ago when an infantry detachment, about 400 strong, was caught in a severe snowstorm while carrying out the annual cold weather test in the mountains of northern Japan. Blinded by the raging blizzard and losing all sense of direction, the men began losing touch with one another and floundering in the deep snow drifts. In all, nearly 300 officers and men were said to have died from exposure, frozen to death, and the battalion commander, overcome with remorse, ended by shooting himself.
>
> "In the mid-summer tests, regiments are made to cary out long and arduous forced marches, frequently ending with a strenuous assault, during the heat of the day, without any protection from the scorching sun other than the ordinary service cap worn by all ranks. In mid-dinter the troops are sent off for a week or two to practice mountain warfare in the snowclad hills, bivouacking at night in the open without blankets and sometimes even without great coats.
>
> "When a regiment is showing signs of evident distress after some particularly strenuous marching or maneuvering, it is by no means uncommon to make them carry out 10 or 15 minutes of arms drill or parade ground drill before dismissing them.
>
> "This is done with the idea of proving to the men that they are not really so exhausted as they imagined and that they still have some 'kick' in them."

The early stages of the Manchurian campaign in the winter of 1931-1932 provided a further example of this so-called "hardening process" to which Japanese soldiers are subjected, when more than 600 men had to be sent to the hospitals because of frost-bite suffered in the Nonni River and Tsitsihar campaigns when the weather was from 20 to 30 degrees below zero. An entire regiment was sent into this campaign attired in light clothing, without overcoats and wearing steel helmets. The result was many were frozen to death while hundreds of others were permanently maimed because of frozen feet and hands which had to be amputated. This sort of military activity naturally has a brutalizing effect on the soldier which is bound to show itself when the man comes into contact with civilians whether of his own race or otherwise. Cases of clashes of Japanese troops and civilians in Japan are frequent. One recent case in Osaka between a soldier and a traffic policeman almost resulted in open warfare between the two branches. When to these conditions are added the frequent declarations of Gen. Araki and other high military men that Japan's real purpose is to drive the Occidentals out of Asia, it is inevitable that trouble develops when Japanese soldiers come into contact with other peoples or races whom they have been taught to hate.

Japanese Establish Permanent Barracks and Fortified Zone at Shanghai

THE Imperial Japanese Navy has just completed and occupied a new permanent barracks, military hospital and officers quarters in the Hongkew section of Shanghai and according to recent report in the Japanese newspapers the Tokyo naval authorities are planning shortly to stage a monster dedication ceremony which will be accompanied by a review and maneuvers off Woosung. High naval officials from Tokyo will attend the ceremonies and Japanese warships on the Yangtsze and along the China coast have been ordered here to participate in the display. The construction of the barracks, military hospital, officers quarters and auxiliary institutions was started shortly after the Sino-Japanese war here last year and by forced night and day work the buildings have been completed in record time. No Shanghai newspaper, foreign or Chinese, has printed anything about this significant development despite the fact it has been a chief source of discussion in diplomatic and military circles for several months. The erection of permanent barracks and the creation of a Japanese fortified zone in Chinese territory at Shanghai constitutes an open violation of the Washington treaties which were signed by Japan's representatives along with the representatives of the other Powers in 1922.

Some details about the Japanese fortifications:

1—The main barracks building, fronting for more than 500 feet on North Szechuen Road Extension, is located in Chinese territory directly back of the Public School, between the Settlement road leading to Hongkew Park entrance and the tracks of the Shanghai-Woosung Railway. It is near the Tientung-an station and fully two miles from the border of International Settlement in an area which recently has been settled largely by Japanese. It is also about two miles north of the Shanghai North railway station.

2—The new Japanese military hospital, also just completed, is located across the narrow street to the south of the main barracks.

3—The barracks building is rectangular in shape with an interior concrete paved court sufficiently large for troop training while the ground floor fronting on North Szechuen Road Extension serves as a garage for armored cars and tanks with adjacent space for the storing of artillery and munitions. The front doors consist of collapsible steel shutters. The building is approximately 525 feet by 225 feet and is four stories in height. The corner fronting on North Szechuen Road is rounded with windows arranged in such manner that machine-guns installed inside would be able to sweep the entire corner and intersecting streets as well as the grounds of the Public School. The roof of the building is flat and is constructed double strength with reinforced parapet and probably would support 5-inch artillery. On top is a military outlook with radio and telephone connection with the headquarters office downstairs. The barracks will accommodate more than 2,000 soldiers and in design is similar to the barracks of the 3rd Infantry Regiment of the Imperial Army at Azabu, Japan. The Japanese sailors and marines began moving into the new baracks last week. The new barracks cost approximately Yen 1,500,000.

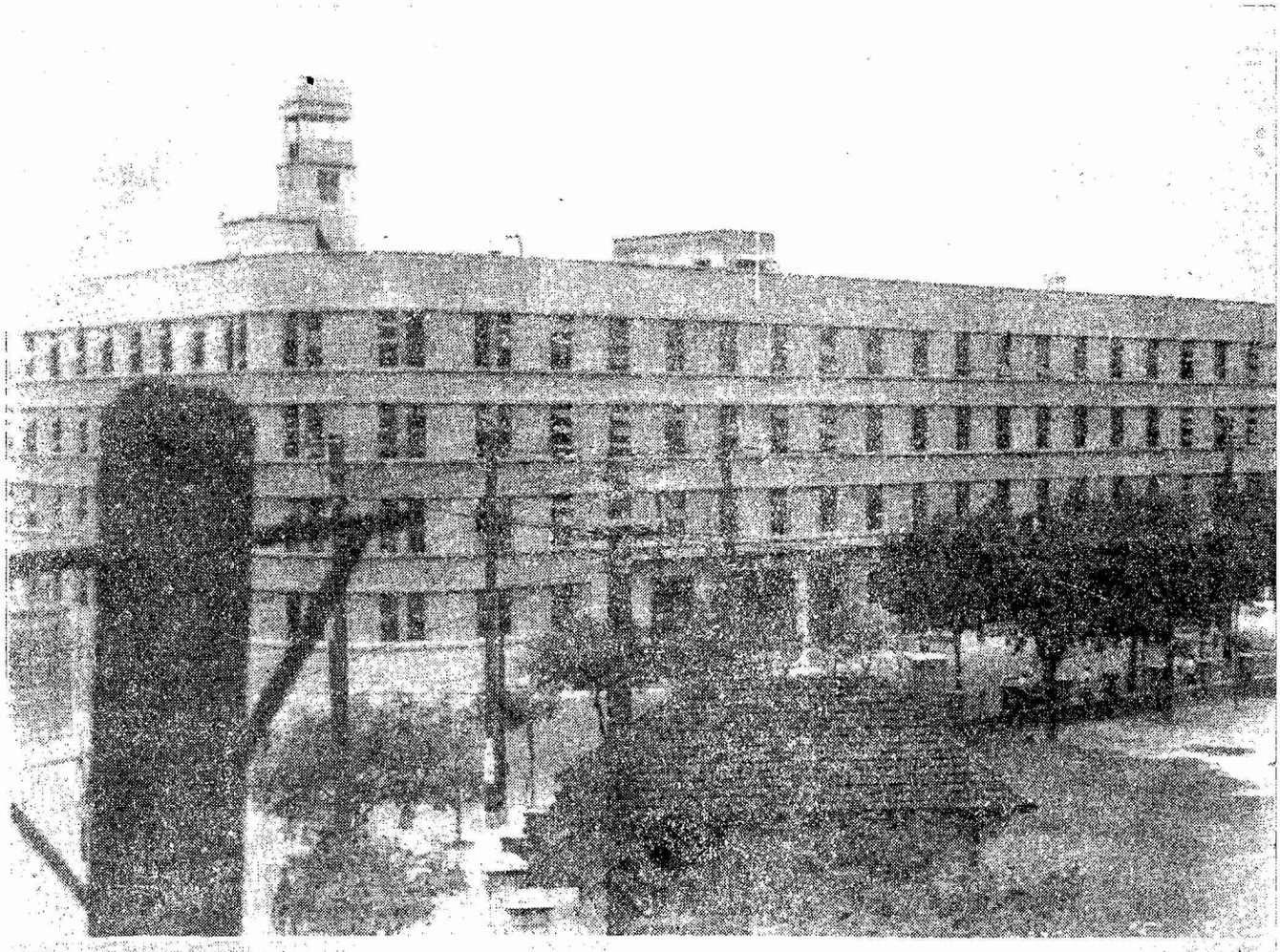
4—The new military hospital, also just completed is located to the south of the new barracks and also is of steel, reinforced concrete construction. The front portion of the building is four stories in height while the rear portion is three stories in height. The hospital is approximately 135 feet by 270 feet. The cost of the hospital with its modern equipment is not known, but together with the barracks the outlay probably exceeded Yen 2,000,000.

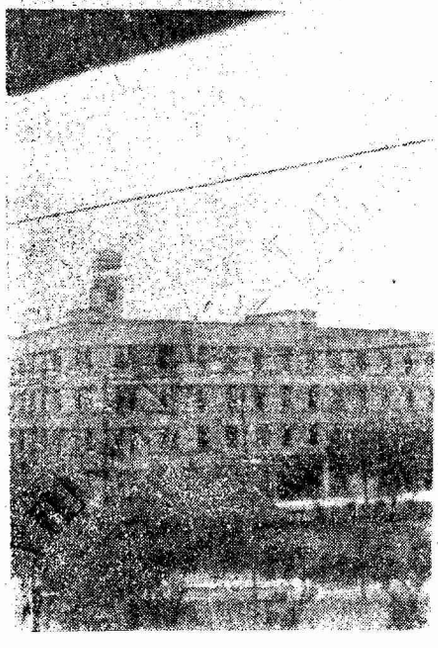
5—The entire area, embracing a considerable section of recently built-up territory, located in the Chapei district, opposite Hongkew Park, has been converted into a Japanese fortified zone which is closely guarded with sentries posted at all strategic points. The taking of pictures is prohibited and recent attempts of foreigners and Chinese to take pictures in the area have resulted in confiscated cameras.

Japan's action in constructing permanent barracks and a fortified zone in Chinese territory adjacent to the foreign settlement, aside from being in open violation of the Washington Conference treaties, has created a serious diplomatic issue with respect to the future status of Shanghai. The Washington Conference resolution pertaining to this subject, which was adopted unanimously by the representatives of United States, Belgium, British Empire, France, Italy, Japan, Netherlands, and Portugal, provided that all armed troops stationed on Chinese soil which were not authorized by treaty, should be withdrawn. The Japanese signed this treaty in apparent good faith and later it was ratified by the Tokyo Government. Shortly following the close of the Conference the Japanese troops stationed in Shantung province and at Hankow were withdrawn as these forces had no treaty status. The allied troops stationed in north China were not affected by the resolution as their presence in China was clearly authorized in the Boxer Protocol.

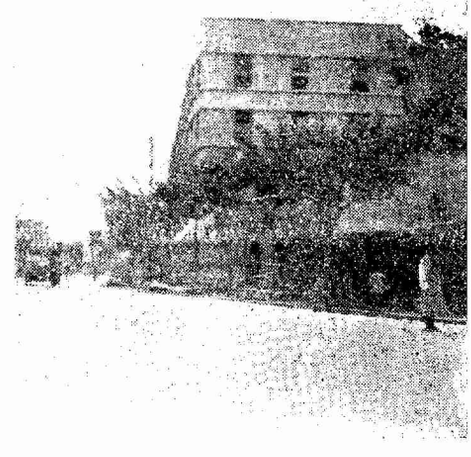
As a result of the action taken at the Washington Conference no further foreign forces of any description were landed on Chinese soil except as a temporary measure and following the adjustment of the particular incident they were withdrawn. Then came the complications of 1927 which occasioned the sending of large forces at Shanghai, Hankow, Tientsin and a few other places, but with the exception of Shanghai they were withdrawn after a few weeks. Since the situation remained critical in the Shanghai dis-

JAPANESE NAVY CONSTRUCTS PERMANENT BARRACKS AND FORTIFICATIONS HERE





The above is the first picture to be published by any paper in Shanghai of the recently completed barracks and fortifications which the Imperial Japanese Navy has constructed in Chinese territory, just off North Szechuen Road in the Hongkew area adjacent to Hongkew Park. The barracks shown herewith, together with the new military hospital will house more than 2,000 soldiers and cost in excess of Yen 2,000,000. The main building is approximately 225 feet by 525 feet while the hospital in the same area is approximately 135 by 270 feet. The barracks is of modern steel reinforced concrete construction with windows arranged for machine-gun installation while the roof is reinforced for light artillery. The two views at the bottom are also of the barracks.



The construction of these extensive military buildings was begun without formal notification being given to the other foreign commanders or consular officials and was surrounded with great secrecy. The taking of pictures is strictly forbidden and several foreigners and Chinese who have attempted to photograph the buildings have had their cameras smashed by the Japanese sentries who are constantly on guard. These pictures, the first to be published in Shanghai, were taken after considerable difficulty from one of the buildings across the street. The smaller picture in the lower right corner was taken from a motor car standing near the entrance to Hongkew Park. The diplomatic complications resulting from the Japanese construction of permanent barracks and a fortified zone here are discussed in the accompanying article.

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trict for a considerable period the foreign forces were kept here, but still the situation was regarded as "temporary" and cheap wooden barracks were constructed with that idea in mind. In the cases of all the foreign forces, including the Americans, British, French and Japanese they were either housed in rented property or in cheaply constructed wooden shacks, the idea being to withdraw the troops or marine forces as soon as the political situation had been stabilized and the Chinese were in a position to assume responsibility for the protection of foreign lives and property. This status continued here until January, 1931 and since the situation had remained peaceful, even despite the Sino-Japanese complications in Manchuria, there had been a gradual reduction of the foreign forces. Then came the Japanese naval intervention here on January 28 of last year which resulted in the Japanese bringing in some 80.000 army and naval forces and the other Powers also strengthening their military positions. But even this incident did not cause the United States, Great Britain or France to change their established attitudes regarding Shanghai—meaning that the foreign forces stationed here were still regarded as being on a temporary basis. The signing of the Shanghai truce arrangement wherein China agreed to demilitarize the Shanghai zone further strengthened the attitude of the Occidental Powers regarding the temporary nature of their forces here. It was about this time that a debate developed in the British Parliament regarding the expense of the British troops at Shanghai and a proposal was made to withdraw the foreign troops and restore Shanghai to its original status. The commanders of the foreign forces and local consular authorities were asked by their respective home governments to report on the situation and according to popular rumor it was decided with one exception that conditions here had returned to normal, hence the foreign troops were to be gradually withdrawn. It was in accordance with this decision that the British ordered most of their troops to Hongkong, the intention being to leave only one battallion here for a time and ultimately to also withdraw this force to Hongkong where permanent barracks exist. An important element in the situation was the deterioration of the temporary barracks constructed in 1927 and the necessity for reconstruction in the event the continued presence of the troops was deemed necessary. The American authorities also withdrew the 31st Infantry to Manila and the French likewise reduced the size of their forces.

But not the Japanese! Without notifying the other Powers and also without any public announcement even in Japan, the Japanese naval authorities secretly began the construction of permanent barracks in Chinese territory adjacent to Hongkong Park. By working day and night shifts the Japanese have been able to complete their permanent barracks and auxiliary establishments within a period of about ten months—which means they have no intention of ever withdrawing their forces—and thus a new "situation" has been created which, as stated in the foregoing, has recently become the subject of considerable diplomatic discussion leading to a consideration of the whole problem of the future status of Shanghai. Several months ago the Japanese and certain foreigners closely associated with them started an agitation for the creation of an independent "city state" embracing Shanghai and a considerable section of surrounding territory. The Japanese action in constructing a permanent military establishment here has therefore thrown considerable light on Japan's real objective with respect to the proposed independent "city state."

Owing to the heavy financial outlay occasioned by the maintenance of their forces here on a "temporary" or emergency basis, all of the Powers, with the apparent exception of Japan, would like to materially reduce or even withdraw their forces entirely, the Americans to Manila, the British to Hongkong and the French to Indo-China. But obviously none of the Powers now dares to withdraw for it would mean handing over the foreign settlements and important foreign investments to the Japanese. While all of the foreign authorities are more or less convinced there is little likelihood of Chinese political complications here in the near future, none of the Powers dares trust the Japanese who have violated all of the treaties which their representatives have signed since Versailles. Also there have been the declarations of General Araki, chief Japanese warlord, that Japan's real purpose is to drive all Occidental interests out of Asia. A withdrawal of the American, British and French troops and marine forces from Shanghai would therefore amount to a voluntary handing over of the foreign settlements with their nationals and investments and businesses to the control of a nation which has shown an utter disregard for all treaties, resolutions and contracts which its official representatives have signed in recent years—and worse to a nation which has not hesitated to bomb undefended towns and cities and massacre thousands of non-combatants in an undeclared war which has now been in existence for two years.

The total value of foreign investments at Shanghai is not known but the American investments alone are valued at approximately U. S. $98,000,000, this being considerably more than half of America's total investment in all China, including Hongkong. In view of this situation, plus the presence here of some 4,000 American citizens, it would be nothing short of suicide to withdraw the American marines and leave the American community and its interests to the mercy of the Japanese armed forces who amply demonstrated their barberous inclinations in the complications with China last year. And since the other foreign communities doubtless have similar apprehensions, the result has been to create a baffling situation which defies solution and apparently will remain in that uncertain status until something is done about the whole Japanese question. The foreign forces stationed at Shanghai at the present time with the names of the respective commanders are as follows:

American (Marines)	2,000,	commanded by Col. John C. Beaumont.
British	2,000	commanded by Brigadier G. Fleming.
French	1,400	commanded by Lt. Col. R. H. Labonne.
Japanese	2,000	commanded by Rear Adm. T. Sugisaka.
Volunteers	2,100,	commanded by Col. N. W. B. Thoms.
Total	9,500	

Total foreign forces, exclusive of local volunteers..7,400

How the French Built Up and Are Still Extending Their Oriental Empire

BY WILBUR BURTON

"The Mailed Fist in a Velvet Glove"

FRENCH imperialism is, in many respects, probably the cleverest on the planet. While the French are neither as capable as pioneers nor as competent to fill lonely outposts as Albion's bulldog breed, they are far more adroit in dealing with the peoples they exploit. One reason is that the French lack the almost incredible racial superiority complex of the British. The French, however, make as much of a fetish of their culture as the British do of racial purity, but there is assuredly a big difference between these two fetishes. Certainly French culture is well worthy of the pride the French take in it; it is, in my opinion, vastly superior to anything that has ever been developed East of Suez, and I believe that most Orientals who have fallen under its sway are of the same opinion although, perhaps, they might not be willing to say so publicly. Let me emphasize, however, that the excellence of French culture does not justify forcing it down non-French throats with bayonets.

The importance of racial purity, on the other hand, is a pseudo-scientific superstition that is only ridiculous, but which has caused the British much unnecessary trouble. The French offer tangible rewards to their subjects who can pass the cultural test; African Negroes, for example, command white French military units in Indo-China and drink wine in complete comraderie with white officers in the cafes of Saigon, Haiphong and Hanoi. An Annamese wife of a Frenchman is treated by him and his white friends exactly as if she were French. Any Annamese who speaks French, shakes hands like a Frenchman and as often, and has French manners, is received on a basis of equality by Frenchmen. In fact, to a Frenchman such an Annamite is, for all practical considerations, a Frenchman,—for he has absorbed French culture. In sharp contrast, a Chinese who has absorbed English culture is made to feel by virtually all Englishmen of the imperialistic ilk that he can never be wholly accepted in English society because his skin is yellow and his eyes are slant. Of course there are some contradictions in the French attitude, as shown in Indo-China, that I shall presently point out, but the difference as outlined between British and French imperialism is important to bear in mind in surveying France's Far Eastern empire that, roughly speaking, extends from Saigon to the Yunnan boundary on the upper reaches of the Yangtsze River.

In ruthlessness, the French compare favorably with the Japanese, but they have forgotten far more about puppet-making than the Japanese ever have learned. Compare Bao Dai, "King" of Annam and Tonkin, with Henry Pu Yi, "chief executive" of Manchukuo; both are apparently nitwits, but whereas Pu Yi is, from all accounts, an unwilling puppet despite the fact that he has no reason to be pro-Chinese, Bao Dai—genuinely Annamese—really believes that the sun rises and sets on that stretch of the Seine that flows in front of the Quai d'Orsay, and he is sincerely desirous of making Annam as French as possible. This difference in puppet-making probably is largely explained also by French culture; the French really have something to offer a puppet in charm and warmth while Japanese culture (aside from imitation of the Occident, cleanliness, and policing ability) is considerably inferior to other Oriental varieties.

In addition to their really worth-while culture, the adroitness of the French in imperialistic enterprise is also explained in large measure by their duplicity,—a duplicity that matches anything the Orient has to offer in the same line. I shall deal with this duplicity in considerable detail in my next article when I recount how the French use their railway into Yunnan; for the present I can illustrate best what I mean by recalling an incident I observed in Shanghai back in 1927. The Nationalists had then come into possession of the city, and the Chinese residents of the International Settlement were replacing the old Republican flag with the Kuomintang flag. Wherefore, the *North China Daily News*, intrepid organ of King George V, editorially yelled for the cops to do something to prevent the flaunting "of the flag of the enemy in our midst." Now the French didn't like China's new nationalism any better than the British did, but since it was a fait accompli they acted accordingly. Wherefore, in the July 14 parade in the French Concession there was a band of Chinese boy scouts carrying aloft side by side the tricolor of France and the flag of Kuomintang and shouting "Vive la Francaise!" And, let it be added, China's new nationalism has not affected a whit, nor even threatened, France's grip on Yunnan. Further, it may be cited, that although France had seized more Chinese territory than any other nation until Japan took Manchuria, there has never been an anti-French boycott in China, nor ever any appreciable strained relations between Paris and Peking or Nanking. And all this despite the fact that today it is rather obvious that France and Japan have some sort of an understanding on the partition of China!

With this perhaps helpful introduction, let us now take a glance at Indo-China, which includes Kwangchowwan, 190 square miles of leased territory on the Kwangtung coast which Franch promised to give back to China at the same time the British returned Weihaiwei. All Indo-China totals 277,504 square miles with a population of 21,148,762, of which 33,119 are Europeans. Hanoi, with a population of 135,000, is the capital of the territory. All the Indo-China area was originally a part of the Chinese empire, but at the time of the French conquest only Annam and Tonkin (which was a sort of protectorate under Annam) were actually governed by China.

The French obtained their first foothold in Cochin-China, where Saigon is located, and today this is the only area officially classed as a French colony. Cambodia, with its own "King," Laos, Annam, which boasts of "King" Bao Dai, and Tonkin, which in theory is under the "King" of Annam in Hue, are all "protectorates." The system is quite complicated. Cochin-China is under French law, while the "protectorates" are under their respective native laws, none of which, however, apply to French activities. Nevertheless, a non-French foreigner who, for example, wished to buy or lease some land in Tonkin would probably find that it conflicted with

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native law which the French are pledged to uphold! For in theory the French are merely "protecting" the native governments of Cambodia, Laos, Annam and Tonkin! One practical difference between the "protectorates" and Cochin-China that may be cited, is that European prostitution is not officially tolerated in Haiphong and Hanoi, while in Saigon prostitution flourishes in true French fashion with 100 per cent French *filles de joie*.

The course of the French conquest northward from Saigon is too long to be traced in detail here, but some account of the taking of Tonkin, which borders on Yunnan (and also on Kwangsi and a small bit of Kwangtung), is in order. By the time of the Taping rebellion, the French were firmly planted in Cochin-China and had Annam pretty well under their thumb. Tonkin, reported rich in mineral wealth, and also including around Hanoi a vast, verdant plain of extremely fertile paddy-fields, was too tempting to ingore. Disturbances incident to the Taiping uprising furnished an excuse for interfering in Tonkin affairs, but the Franco-German war in 1871 put an end to imperialistic enterprise for a time. However, once that war was over, the French breast heaved all the more for conquest somewhere to make up for the humilitation and cost of the German victory,—and Jean Dupuis, merchant and gun-runner, paved the way for the taking of Tonkin. Although the Tonkinese refused the French passage through Tonkin into Yunnan, Dupuis had managed to smuggle a cargo of arms there during the Taiping rebellion, and later he returned to Hanoi where he aroused the suspicion of the authorities.

In consequence, the Tonkin general in charge of Hanoi asked the King of Annam to have Dupuis removed. The King appealed to the French Governor of Cochin-China, who asked Dupuis to return to Saigon. Dupuis refused and Francis Garnier (who had previously conducted an exploring expedition up the Mekong) was sent to Hanoi to investigate. Arriving in Hanoi with a detachment of troops, presumably to oust Dupuis, Garnier enthusiastically joined hands with the merchant and gun-runner,—and thus there is a Francis Garnier avenue in Hanoi today.

How the French Got into Hanoi

The Tonkin authorities continued to insist that Dupuis leave Hanoi ,and so in November, 1873, Garnier took the city and five nearby forts, meanwhile requesting reinforcements from Saigon. At the same time a band of Chinese semi-bandits known as the "Black Flags" came to the support of the Tonkin authorities and several of the forts were recaptured. In one battle Garnier and his second in command, Balny d'Avricourt, were slain. Alarmed, the Governor at Saigon sent M. Philastre, inspector of native affairs, to make peace, and the places still held by the French were evacuated, the native Christians being subsequently massacred,—but the Tonkin authorities were forced to allow French trading at Songkoi, Hanoi and Haiphong.

Nine years later, in 1882, Governor Le Myre de Villers, of Cochin-China, sent Henri Riviere and a small force to open a route to Yunnan *via* Songkoi, and so Hanoi got another street name, today the main thoroughfare of the city. Riviere began his job by seizing Hanoi and other places; he himself was killed in action in May, 1883. Meanwhile, Annam, which still thought it was under Chinese rule, appealed to Peking for aid, whereupon the French brought in reinforcements under Admiral Courbet and General Bouet. At the same time Dr. Harmand, commissary general, took Hue, the capital of Annam, by a naval expedition up the Hue River. In August, 1883, a treaty was signed in Hue whereby the French formally established a protectorate over Annam, and by implication over Tonkin. Annamese troops in Tonkin were to be recalled and a road was to be built from Saigon to Hanoi.

Under the treaty, the French continued their invasion into Tonkin to "protect" it. There was considerable bloody fighting, with both Tonkinese units and Chinese garrisons participating, but Peking failed to provide any assistance beyond lodging a protest to the French government through the Chinese minister in Paris. In May, 1884, while hostilities were still in progress, M. Fournier negotiated with Li Hung-chang in Tientsin a memorandum whereby Chinese troops should evacuate Tonkin. In June another treaty signed in Hue confirmed the French protectorate over both Annam and Tonkin. Fighting, however, continued until the following year with many casualties on both sides. Finally Sir Robert Hart negotiated peace in Tientsin in June, 1885, whereby France took Tonkin and Annam under her protection and at the same time evacuated Formosa and the Pescadores—which were shortly thereafter seized by Japan!

Hanoi and Haiphong, and other places, were made into French concessions; the small towns and villages were left under native rule so long as it did not interfere with French exploitation. Separate courts were established for foreigners and natives, with the former under French administration. And hordes of Frenchmen came out from the homeland to do their stuff in "protecting" the natives. In passing, it may be noted that the French always employ many more Frenchmen in the work of imperialism than do the British. The British idea is to train natives for virtually all kind of jobs below that of a "taipan;" in Indo-China there are French conductors on the trains, Frenchmen selling stamps in the Post Office, and Frenchmen as minor clerks in government offices. In fact, there are said to be more foreign civil servants in Indo-China than in India, although the latter country is many times larger. Thus, it might said that French imeprialism is more democratic than the British variety! And to one accustomed to never seeing imperialists doing anything but give orders, it is rather intriguing (and even a bit refreshing) to watch a French conductor collecting tickets in the fourth class compartments of a train in Indo-China. Further, it is rather intriguing after long association with the British to see imperialists act as human in the Orient as they do at home,—and the sidewalk cafes of Hanoi are hardly distinguishable from those of Paris except for the tropical lizards that gambol on the ceiling and (according to tradition) drop ever and anon in one's wine, although the chances of this happening appear to be about as remote as being hit by a meteor. And there is one other difference; the native waiters are called "boy," although this is the only non-French word one hears.

Catholicism Strongly Entrenched

There are, however, as has already been indicated, some contradictions in the French attitude. France for years has been one of the most anti-clerical countries in Europe, while in Indo-China the Catholic Church has been made avowedly into an arm of imperialistic rule. Originally, according to treaty, Catholicism was the only non-native religion tolerated; today this was been modified to allow a limited amount of activity by the American Protestant Church and Missionary Alliance and, I believe, there are some Swiss Protestant missionaries in Cambodia. But only the Catholics have a really free hand, and a wise native who wants a government job gets converted to this faith. Wherefore there are about one million Catholics in Indo-China to 10,000 Protestants. The French-Catholic alliance, I suppose, is based upon the well known cooperation of Catholic missionaries with French imperialists throughout the world,—but it is extremely ironic in view of the severe limitations on the Catholic Church in France itself.

Another contradiction in the usually quite logical French *mores*, is the fact that a French woman who marries an Annamese is ostracized to a considerable extent by her own people, although, as has already been stated, an Annamese woman who marries a Frenchman is accepted by French society without reservation. (And, it may be added, there is a tremendous amount of Frenchmen-Annamese inter-marriage.)

Except for these contradictions, French culture on the imperialistic front is about the same as on the home front. The natives who do not register any objection to French rule are treated very politely and humanely, and those who achieve a French cultural status are accepted by Frenchmen on a basis of equality. They cannot, however, become French citizens; if they are born in one of the concessions they are French subjects, and born outside of the concessions they are French proteges. But Eurasians, legitimate or otherwise, can become French citizens with all rights thereunto pertaining upon application, and appearance is the only proof required. Before the depression of recent years, any son of a French father born in wedlock was virtually guaranteed a job for life, but it has not been found feasible to maintain that rule recently. However, both Eurasians and French residents enjoy a similar status of being given preference for any jobs open. It will thus be seen that the French are deliberately seeking to build up a strong Eurasian group in Indo-China, of which further mention anon.

As far as the mass of natives are concerned, it would be difficult to say that they are any better or any worse off in material matters under French rule than if they were entirely under native rule. Today, however, within the limits of their low standard of

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living they are better off than many of their French masters, for native agriculture is quite well off while most of the French plantation enterprises, notably rubber, are bankrupt except where they are getting government aid.

The French do provide a considerable amount of educational facilities to those who want to acquire French culture. Only two years of schooling are given in the Annamese language, all the rest being in French. Further, the French have virtually abolished Chinese characters; an alphabet has been provided for Annamese, and the use of Chinese characters (in which the language was formerly written) is definitely discouraged. This, of course, is an important step in making French Indo-China really French.

Almost all business is French. The Chartered Bank and the Hongkong & Shanghai Bank (both British) have branches in Haiphong, and it is interesting to note that many Frenchmen regard them as more safe than French banks. About the only American business is the Standard Oil Company of New York. British Shell is French incorporated. Almost all import shipping is in French hands with the result that freight rates are higher from Marseilles to Saigon and Haiphong than to Hongkong and Shanghai. The British China Navigation Company (Butterfield and Swire) has a strong foothold in Haiphong, but, as I discovered to my profound financial sorrow, they are not allowed to offer any competition to the French Compagnie Indochinoise de Navigation in the export of goods or passengers *from* Haiphong to Hongkong or points in China proper.

The passenger fare from Hongkong to Haiphong is $65 Hongkong currency aboard the B. & S. boats, while the French boats charge 50 piastres. The piastre, Indo-China unit of currency, is pegged to the French gold franc at the rate of about ten francs to one piastre, and one piastre is worth about $1.70 Hongkong money, or $1.87 Shanghai currency. Thus the B. & S. fare from Hongkong to Haiphong is about $22 (Shanghai currency) cheaper than the fare on the French boats. But when buying a ticket to return from Haiphong to Hongkong I was told by the B. & S. agent (Denis Freres, a prominent French firm and once British Vice Consul in Haiphong) that the fare was 50 piastres. My indignant protest was countered with the explanation that "that's the fare on the French boats." Inquiring at the British Vice Consulate (now in the Chartered Bank), I was told that they were not aware of the racket, but would investigate. Subsequently I was diplomatically informed that there was no "compulsion" by taxation or otherwise on Butterfield and Swire to charge the same as the French company, but the fare rate had been established by "agreement between the two companies." I was also informed that all freight rates out of Haiphong were uniform, while from Hongkong to Haiphong the B. & S. rates were lower than the French rates.

The French "Open Door"

Whether or not there was any compulsion would seem to be a matter of interpretation of the facts; at any rate there is no competition, which is doubtless the French idea of an "Open Door."

How firmly the French have entrenched themselves in Indo-China may be best indicated by the fact that there has never been but one major revolt by the natives since the imperialistic conquest was completed. Other colonial and semi-colonial countries, such as India, China, the Dutch East Indies, Korea, and even the Philippine Islands have been recurringly torn by uprisings, but only in 1931 was French rule in Indo-China appreciably challenged,—and that outbreak was put down quickly and, to all present appearances, completely and permanently.

The revolt began brewing in 1930, and represented a combination of both nationalistic aspirations and communistic influence among the peasants who comprise the overwhelming bulk of the native population. Part of the impetus probably came through Yunnan, which was semi-Red in 1927-28 from the backwash of the Chinese Nationalist Revolution of 1925-26-27, and it was brought to a head in 1931 by bad crops and increasing taxation that was imposed to make up the deficits caused by the slump in rubber in Cochin-China and other factors originating in the world-wide depression.

The revolt, most persons will recall,attracted almost no attention in the world at large because the French allowed almost no news of it to leak out, and even if it had been better publicized it could not have competed in the press with the beginning of the Japanese conquest in Manchuria with which it, in part, coincided. I have been able to obtain a fairly complete account of the revolt, but the reader will understand I cannot cite any authorities for my statements in this connection, nor in many other parts of these articles, for almost all of my informants live either in French Indo-China or semi-French Yunnan and so might be penalized for "telling tales out of school." I can only say that while I can not guarantee complete immunity against some minor errors, all my essential facts here and elsewhere have been carefully checked from many varied sources and their substantial accuracy is beyond dispute.

Several million Annamese—who form the bulk of the population in Cochin-China, Annam and Tonkin—were involved in the revolt, which appears to have been entirely under Red direction although, obviously, it was peasant instead of proletarian. No Russian agents, however, are charged with being implicated, but some of the Annamese leaders are alleged to have been trained in Moscow. Also some French Communists are charged with having been involved, including Serge Lefranc, *alias* Paul Noulens in Shanghai a short time thereafter. In addition, some Frenchmen operating small business firms in Saigon were deported to France on charges of having supplied arms and munitions to the rebels.

One aspect of the revolt was the formation of a Soviet state, similar to the "Soviet Republic of China" in Kiangsi, around Vinh, a city in Annam about 150 miles south of Hanoi. This "state," including about 1,000,000 people, defied French authority for a few months before it was ruthlessly suppressed by 2,000 soldiers of the French Foreign Legion who were sent there direct from Morocco. At one time Hanoi itself was virtually under martial law and fearful that a Red army was marching on it. The motor road from Hanoi to Haiphong was blocked off at intervals with chains manned by patrols of the Foreign Legion, and a few villages in the vicinity of this highway were actually raided by native forces who killed some of the mandarins that the French use as their puppets.

The Foreign Legion to the Rescue

In Yen-Bay, a strategic city about half way between Hanoi and the Yunnan border, a detachment of Annamese troops revolted and killed seven or eight of their French officers, hacking some of them to death with axes. This, however, was the sole revolt in the Annamese army, and the only possible chance the uprising had to succeed was through a widespread mutiny of native forces. In many cases the Annamese troops mercilessly fought the rebels, although it is hardly necessary to record that the French feared to trust the native troops very far, especially after the Yen-Bay incident. The Foreign Legion and other imported troops were depended upon to do the dirty work,—and they did it as ruthlessly, and probably far more efficiently, than the Japanese ever could. Natives suspected of any participation in the uprising were rounded up by the thousands; hundreds were slaughtered. Airplanes bombed vilages all over Tonkin that could not be conveniently reached by roads, and men, women and children alike were massacred. The Foreign Legion was instructed in effect, if not in so many words, to wipe out for all time any nationalistic or communistic aspirations among the sons and daughters of Annam,—and considering the relative ease with which Indo-China can be policed by road and air, and the number of natives and Eurasians who are loyal to the French in self-interest, it is probable the Legionnaires succeeded in their task to an amazing degree.

It was in connection with this revolt that the Yunnan-Tonkin border incident of 1931 occurred that gave rise to rumors the French were invading Yunnan simultaneously with the Japanese invasion of Manchuria. French troops are said to have crossed the Yunnan border, but French sources at the time avowed they were only chasing "bandits," and did not actually cross the border. The explanation, I think, was correct, the "bandits" being, of course, rebels against French rule of their native land. If the border—which is tropical jungle —was actually crossed, it was only for a short distance.

Also in connection with the revolt, French railway workers in Amitchow, about halfway between the Tonkin border and Yunnanfu, kidnapped a half dozen Annamese who had participated in the uprising and later taken refuge in Yunnan. The Chinese authorities filed a protest, but the Annamese were taken back to Tonkin and there most likely executed.

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Perhaps more interesting than true is one ingenious theory that the revolt was a major factor in inspiring France to negotiate a non-aggression pact with the Soviet Union last year, thus obtaining a promise from Moscow not to give even moral support to any more native outbreaks in French colonies.

Most Peaceful Colony in the Far East

Today Indo-China is probably the most peaceful and contented colony in the Far East. The actively discontented are dead and nature has remedied one of the precipitating causes of the revolt—bad crops—by providing good croops this year and last while the French have cannily reduced taxation. The standard of living among the bulk of the natives is low—as low as in China,—but there is peace and no starvation, and probably no appreciable amount of hunger.

Many lessons may be learned from our brief survey of French imperialism in Indo-China, particularly in view of the possibility—maybe probability—of further expansion of France's colonial empire. It is especially interesting to note the significance of the Foreign Legion in the French imperial scheme of things. A major revolt in the colony of any other country as democratic as France would arouse much attention at home (and so in the world at large) if for no other reason than because the army was sent to suppress it. Every village which provided one or more residents to the affray would be very much interested in what was going on, and why. But a revolt in a French colony can go almost unnoticed, for France has an efficient body of alien adventurers who, for reasons best known to themselves and usually under assumed names, have deliberately doomed and damned themselves to do the Quai d'Orsay's dirty work abroad. From the far reaches of the scorched Sahara Desert to the mist laden jungles of the Celestial frontier where the Red River roars out of the mountains of Yunnan, the French Foreign Legion kills and maims to keep the tricolor aloft,—and neither the peasants of Normandy nor the boulevardiers of Paris have any profound interest in its movements even if they are aware of them.

Another important aspect of French imperialism is the development of a large and potent class of natives and half-natives whose self-interest coincides with that of Paris. Generally speaking, imperialists other than the French have imposed their rule directly (as in India) or indirectly (as in China) from above except for maintaining or aiding in maintaining the feudal *status quo ante*. Thus, modern bourgeois development in colonial and semi-colonial countries has been anti-imperialist, and in the end (after abortive nationalist revolts) the native bourgeoisie have been driven to support the imperialists only to counter communism. The French, on the other hand, in addition to ruthless *force majeur* from above and support of the *status quo ante* (such as Puppet Bao Dai), have from the first sought to develop a class of petty bourgeoisie and "white collar" workers, consisting of Eurasians and Frenchified natives, who have a vested interest in French rule. These tactics, carried out suavely, are summed up in the phrase I have used to describe French imperialism—the mailed fist in a velvet glove.

This policy appears to be in the course of complete and successful achievement in Indo-China unless it is eventually upset by development elsewhere in the world. In another 50 years of uninterrupted French rule, the feeble nationalism and native culture now existing wil be almost, if not entirely, liquidated,—and communism, assuredly, has not much chance of developing among a well policed peasantry.

In Yunnan, as we shall see, there is no possibility of bourgeois development to any qualitative extent under present conditions, and so France has not needed to do more there than assist in maintaining the *status quo ante* of a feudal government,—and there has been no change in the provincial government in more than 20 years except that caused by death, and the repercussions of the Chinese Nationalist Revolution which were fundamentally insignificant. But the French have not neglected to cultivate such bourgeoisie as exist as well as the western educated Chinese in the government or in professional work. Thus the foundation has been laid should France ever decide to convert the area from a semi-colonial status into a colonial "protectorate."

(Next week, under the title of "The Railway and the Closed Door," Mr. Burton will outline the simple, but efficient way by which the French obtained and maintain their domination over Yunnan.)

Communists Threaten Fukien City---Missionaries Leave

Out of a maze of conflicting reports regarding the situation at Yenping, Fukien province, the one established fact is that, acting on the advice of the U. S. authorities, the American missionaries in that region have withdrawn to Foochow. Three Catholic fathers, however, still remain in Kienningfu, preferring to stay there.

According to information from the British Naval office at Hongkong, the communists in northern Fukien occupied Yenping Sept. 2 following an encounter with the provincial armies outside that city the previous night. Yenping was captured by the communists on August 27 and was retaken on the following day with the arrival of reinforcements of the 19th Route Army.

A despatch from Foochow end of last week stated that three Japanese warships and British and American gunboats were standing by at Mawei. The situation at Foochow was somewhat eased, following the report that Government troops succeeded in re-capturing Yenping from the communists, who then began moving in a northwestern direction.

A Tokyo telegram Aug. 31 stated that the serious developments in northern Fukien arising out of the activities of Communist troops, are being watched with the closest attention by the Japanese Foreign Office which appears to entertain grave concern regarding the possibility of a further extension of the troubles. There are about 300 Japanese and 1,500 Formosan (Japanese subjects) residents in Foochow. The cruiser *Isuzu*, the destroyers *Kuretake* and *Wakatake* were sent to Foochow.

The U. S. S. *Sacramento*, U. S. S. *Tulsa* and the U.S.S. *Fulton* have been sent to cruise along the coast between Foochow and Amoy to meet any Communist emergencies that may arise.

In addition to Swatow several other hsiens along the Southern coast of Kwangtung, including Chaochow and Yehyang, have been placed under strict martial law as a precautionary measure against possible attacks by the communists.

Martial law has been declared in Foochow as a result of the arrival of a large number of refugees from various parts of Fukien province.

The Chinese marines at Mawei have received orders to move up to Northern Fukien to assist in the campaign against the Reds. The Third Squadron flagship *Hai Chou* is also being sent to the Fukien Coast.

Admiral Chen Shao-kuan, Navy Minister, denied at Nanking Sept. 4 press reports that Kutien, 45 miles north-west of Foochow, had been captured by the Reds. He said that as Foochow, the provincial capital of Fukien, is adequately defended no anxiety need be felt.

The units under Major-General Chiang Yen attached to the 56th Division under Lieut.-General Liu Ho-ting routed the remnant "Reds" in the neighborhood of Yenping, beginning of the week.

General Tsai Ting-kai, commander of the 19th Route Army, has asked General Chen Chi-tang, commander of the Cantonese forces to immediately dispatch a shipment of 200 bombs as a help toward the suppression of Communists in northern Fukien where communistic activities have recently assumed serious proportions. General Tsai returned to Foochow Aug. 31 from Lungyen to direct operations against the communists in northern Fukien, who were then threatening the Fukien capital. Chinese marines near Amoy have been sent to the front to reinforce the provincial troops.

The 19th Route Army and other Fukien provincial troops have begun a general offensive against the Communists in Northern Fukien. It is reported that in the recent fighting in the vicinity of Yenping one Communist commander Liu Hu and thirteen officers were captured by the provincial forces.

T. M. Snow, British Charge d'Affairs, called on Mr. Shigemitsu, Vice Foreign Minister, at the Foreign Office in Tokyo Aug. 30 to discuss serious developments in Foochow arising out of the renewed activities of the Communist forces in that neighborhood.

Ho Lung and Followers Move on Hunan

The Communists under Ho Lung, which recently made an advance into Szechuen by way of Western Hupeh, have withdrawn from Szechuen and are moving east. Sungtze, a city in Western Hupeh immediately west of Shasi is reported to have been captured and the magistrate of Sung-tze has been executed by the Red forces. The Communists are now moving towards the Hunan border.

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A report from Hankow says that the eight Catholic missionaries at Yuanchow had passed through the siege safely, having been marooned there since June 27.

Sungtse, southern Hupeh, which was recently occupied by the "Reds" under Ho Lung, was recaptured beginning of the week by the units under General Hsu Yuan-chuan, Commander-in-Chief of the Bandit-suppression forces for the Hupeh-Hunan border regions.

The Communists, under Ho Lung, who recently crossed the Hupeh border to attack the Hunan cities of Shihmen and Lihsien, have heen defeated by the Hunan troops under Liu Yun-chien and have again turned back to Hupeh.

Chiang Kai-shek Offers Rewards for Heads

General Chiang Kai-shek's headquarters at Nanchang Aug. 30 offered rewards ranging from $100 to $30,000 for communist leaders' heads. A reward of $100,000 is promised for those who capture Chu Teh or Mao Tseh-tung alive, while their heads are valued at $80,000 each.

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Reported End of Fighting in Szechuen

The fighting in Szechuen between the combined Szechuen forces under General Liu Hsiang and the 24th Army under General Liu Wen-hui came an end last week with the issue by the latter of a circular telegram from Sichang, south-western Szechuen, supporting General Liu Hsiang in the task of pacifying the provinces and suppressing the "Reds." The major portion of General Liu Wen-huel's troops have been reorganized by the Allied Army and General Liu himself has retired to Sikang with several thousand men.

While the civil war in Szechuen has come to an end renewed fighting in Kweichow is expected to break out at any moment as a result of the pressure exercised by General Wang Chia-lieh, the Kwelchow chairman, against his political opponent Yu Kuo-tsai. Some of General Liu Wen-huei's troops later made a sudden appearance at Yiping, a city on the Szechuen side of the Szechuen-Yunnan border. They were showing signs of moving into Yunnan territory.

The troops under General Liu Wen-huei which put up a fight against the advancing Allied forces at Ya-an have evacuated that city and two brigades of Liu Wen-huei's troops surrendered end of last week to Commander Liu Hsiang of the Allied forces.

Taking advantage of the civil war in Szechuen, the Dalai Lama of Tibet is stated to be again trying to capture Sikang. Additional Tibetan troops have been rushed to the front near the Kinsha River.

The Executive Yuan has relieved Chu Hsu, member of the Yunnan Provincial Government and concurrently Provincial Commissioner of Civil Affairs, of his substantive and concurrent posts on account of ill-health.

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Lo Wen-kan Arrives in Sinkiang Capital

Minister Lo Wen-kan and his party arrived at Lanchow, provincial capital of Kansu, at noon Aug. 29 after taking off from Sian the same morning. He called on General Chu Shao-liang, Chairman of the Kansu Provincial Government, and General Ma Chi, Chairman of the Kokonor Provincial Government.

Minister Lo Wen-kan and his party left the Kansu provincial capital by airplane Sept. 2, arriving at Suchow, in western Kansu, the same afternoon. They left for Tihua, provincial capital of Sinkiang, Sept. 3, stopping at Hami *en route*. They arrived at Tihua later the same day. Minister Lo and his party were welcomed by Lui Wen-lung, General Sheng Shih-tsai and other Sinkiang officials.

According to special reports received from Tihua in Sinkiang, another anti-Chinese movement has broken out anew in Kashgar. It is said that the natives and Mohammedans have combined against the Chinese.

Peng Shao-hsien, the newly appointed member of the Sinkiang Provincial Government, has received a telegram from General Shen Shih-tasi, Defense Commissioner of that orovince, strongly objecting to the visit of General Li Tu.

Copy of Sinkiang-Soviet Agreement Arrives in Nanking

A Nanking message Sept. 4 intimated that copies of the Sinkiang-Soviet Agreement had been submitted by Ai Sha, Special Party Commissioner to Sinkiang, to the Ministry of Foreign Affairs and General Staff Department. The agreement was signed during the regime of Feneral Chin Shu-jen, recently ousted Chairman of the Sinkiang Provincial Government, and is supposed to deal with commercial relations between Sinkiang and Soviet Russia and the mutual exchange of consuls.

National Airways Plane Completes Round Trip

The China National Airways amphibian Sikorsky plane which recently made a flight from Shanghai to Manila, including a tour of the Philippine Islands, completed a highly successful round trip, arriving back in Shanghai, September 4. The plane was in charge of W. S. Grooch as chief pilot, together with William Elimer as co-pilot and radio operator. H. M. Bixby, representative of the Pan-American airways, was a passenger. The return trip was uneventful.

Mr. Bixby announces that the establishment of a weekly airmail and passenger service between Shanghai and Manila with specially designed seaplanes is only a matter of time.

The plans for the new commercial route are completed and Mr. Bixby said he had forwarded them to the offices of his company in New York for approval. The plans provide for the operation of a line similar to those operated through South America. Short flight stages will make it unnecessary to carry heavy cargoes of fuel and will tend to prevent delays.

According to Mr. Bixby, he has recommanded that the Pan-American company obtain a lease of Santiago Island in Lingayen Bay where it would be feasible to establish a landing point between Northern Luzon and Manila. On the trip from Shanghai to Manila the Sikorsky passed over this section and the survey official said a stopping place there would be ideal.

A second important feature of the route will be a landing place on Pratas Reef some 200 miles out from Hongkong for the Manila route. Landing facilities can be constructed there with little trouble, Mr. Bixby said, and this would save the pilots from inconvenience during fogs. In the event of fogs over Hongkong, the planes would remain at Pratas Reef until they cleared. Thus the margin of safety would greatly increased. Pratas Reef is virtually free from fog the year round. After the weekly service proves itself profitable the Pan-American company would arrange for a more frequent service, it was said.

As now contemplated the trip from Shanghai would provide stops at Foochow, Hongkong, Pratas Reef, Pooay lake in Northern Luzon and Santiago Island.

South-West Leaders Plan Aviation Company

An agency for the conduct of business with the China National Aviation Corporation has been opened in the premises of Whiteaway, Laidlaw & Co., 30 Nanking Road, Shanghai. Besides the sale of tickets for regular excursion, or special flights by any of the Corporation's machines in operation in China, facilities for the quicker delivery of urgent mails from outports and other conveniences also have been arranged at this agency in connection with the Corporation's service.

It was officially announced in Canton Aug. 21 that South-West political leaders are organising a South-West Aviation Corporation with a capital of 15,000,000 dollars. The plan is to operate five routes linking Kwangtung, Kansi, Yunnan, Kweichow, Fukien, as follows: Canton-Lungcho, Wuchow-Kweiyang, Nanning-Kumin, Canton-Foochow and Canton-Yinlien.

The Cantonese are growing airminded. The survey flight made by the Sikorsky plane of the China Aviation Corporation last month intensified interest in aviation. In a petition submitted to the Southwest Political Council and the Kwangtung Provincial Government, the Kwangtung Association Chamber of Commerce asks the government authorities to take immediate steps to organize civil aviation services and to inaugurate airmail routes linking Canton with the various coastal ports and other trading centers. The Canton authorities are giving the merchants' petition serious consideration.

Four large airdromes are under construction at Nanchang, Linchuan, Ki-an and Nanchen, in Southern Kiangsi. The airdrome at Nanchang will occupy nearly 100 mow.

The report that the Aviation Bureau will be enlarged and reorganized into an Aviation Ministry has been confirmed by the transfer of the Bureau from the control of the War Ministry to the control of the Military Council.

Financial assistance will be given by the Central authorities to the Shensi Provincial Government to carry out an aerial survey of the Wei River in Shensi.

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Plans of the Eurasia Aviation Corporation for the operation of a Kansu-Kokonor branch of the North-western Airway, and the Peiping-Shensi and Canton-Shensi Airways have been approved by the Ministry of Communications. Trial flights will be conducted after the completion of the necessary preparations.

Cohen Plans Air Route in South China

According to information received by official circles in Tokyo, Gen. Morris Abraham Cohen, former British adviser to the late Dr. Sun Yat-sen, who is now staying in Hongkong, is reported to have asked authorization to establish a British-controlled air transport company with a view to coping with the newly-established Pacific-American Airways Company.

Sun Tung-kang, the famous young Chinese aviator who recently made a solo flight from Berlin to China, arrived in Shanghai during the week in the course of a nation-wide tour. Captain Chen Wen-lin, Director of the Naval airplane factory in Amoy, who is now in Shanghai, has informed the press that he will join Mr. Sun in his flight around the country. He will fly his own sea plane *Kiang Chueh.*

The christening ceremony of the second batch of five contributed airplanes purchased by the China Aviation Association will be held on September 9. The last batch of twelve contributed airplanes have already been assembled at Hangchow.

In an order to the Executive Yuan Sept. 4, the National Government instructed the various organs concerned to remit to the Central treasury the proceeds from the amusement tax and contributions towards the airplane fund before the end of the current month.

Marquis de Pinedo, Italian airman, was killed at New York Sept. 2 as hewas taking off in an attempt to wrest from the French airmen, Codos and Rossi, their recently established long-distance record.

The Soviet dirigible 6-1 completed a flight from Moscow when it landed at Sebastopol Aug. 31. It covered the distance of 1,400 kilometers in 22 flying hours.

Officers from the Japanese Army and Navy flying and technical divisions witnessed a test flight of a Fairchild plane at the Haneda Airport Aug. 23. The plane's top speed is 125 miles per hour, climbs 1,000 feet per minute and has a ceiling of about 20,000 feet. Sixty-five planes of this make were sold in the last 18 months in the United States. The plane sells for $4,000.

Lord Willingdon Defends Air Bombings

The marked improvement in the general position of India was stressed by Lord Willingdon, the Viceroy, in an address before both Houses of the Legislature at Simla Aug. 30. He defended the recent bombing on the North-West Frontier, and declared that neither the canons of international law nor the dictates of humanity were infringed.

Omnibuses Run Over New Sinkiang Highway

The formal inauguration of the Suiyuan-Sinkiang motor highway Aug. 30 was marked by a trial run with omnibuses of the Suiyuan-Sinkiang Long-Distance Bus Company. Five new buses, carrying two passengers and escorted by special guards detailed by the Suiyuan Provincial Government, departed on their long journey westwards. The party is expected to reach Tihua, provincial capital of Sinkiang, by Sept. 12, accomplishing within a fortnight a trip which usually takes months to complete by the circuitous route, by camel caravan.

Tunhua-Tumen Railway Is Formally Opened in Manhcuria

The Tunhua-Tumen railway was formally opened September 1 under the management of the Kirin-Hsinking and Kirin-Tunhua Railway Administration. Construction of the line was started immediately after the Mukden Affair. Strong military protection had to be provided to the workers to protect them from attacks by the Chinese Volunteers. The *China Times* recalls that the Japanese demanded the right to construct the line during the Chang Tso-lin regime but the demand was rejected. With its completion, the distance between Japan and Manchuria has been considerably shortened. It will have far-reaching strategic importance in North Manchuria.

At a Cabinet meeting in Tokyo September 1 General Araki, the War Minister, reported that the Kirin-Kainei railway was completed on August 31 and handed over to Manchukuo by the South Manchuria Railway Company.

Among the enterprises projected by the Manchuria Telegraph and Telephone Company, which formally took over the operation of all electric communications in Kwantung Leased Territory, S.M.R. zone and in most other parts of Manchuria, on Sept. 1 is the erection of three new telephone and telegraph lines having a total length of 2,369 kilometres.

The public subscription of the shares of the newly established Japan-Manchuria Aluminium Company, which was opened in Tokyo Sept. 1, was over-subscribed 30 times.

The South Manchuria Railway is building powerful locomotives and reconstructing passenger coaches with a view to introducing a super-express service on the main line of the railway. The Company is also sending a number of railway engineers to the United States to inspect the speediest trains now run in that country.

The Foreign Office in Tokyo, Aug. 31, made public a lengthy report on the progress of bandit suppression work throughout Manchukuo. It expressed admiration at the surprising rapidity with which the anti-bandit expedition was carried out, noting with satisfaction that the bandits, who numbered over 140,000 about two years ago, have now been reduced to an almost negligible number.

Representatives of the Special Service Department of Civil Affairs of the Manchukuo Government met at Changchun Sept. 5. Plans for bringing labor throughout Manchuria under the unified control were discussed. This may lead to the limitation of coolie immigration from Shantung Province.

Missionaries Arrested North of Harbin

The foreign principal of the Methodist Mission School at Paichuan, about 150 miles north of Harbin, was arrested on August 31 by the Manchukuo authorities because "Kuomintang and anti-Japanese text-books were found in his possession."

Three representatives of the Fascist Russians in Harbin who are conducting a campaign to establish a university for White Russians, called at the Department of Education of the Manchukuo Government Sept. 1 and asked the permission to build the proposed institution.

Maurice Percheron of *Le Journal*, Paris, who arrived in Changchun recently after a two months' tour through the Soviet Union, was received in audience by Henry Pu-yi Sept 1.

Haruhiro Minakawa, Japanese Vice Minister of Justice, on arriving in Changchun Sept. 4 said that although extraterritoriality will have to be abolished sooner or later in Manchukuo, such abolition must come only after the judicial system of the country has been fully completed.

The Manchukuo Ministry of Finance has started investigations in connection with the introduction of a second revision of the existing customs tariff. The existing customs system and laws are virtually a reproduction of the system in vogue in China, and the authorities plan to revise the customs law in order to rectify defects.

A recent Mukden message stated that the Japanese military authorities are watching the situation in the demilitarised zone in North China with some concern owing to the recrudescence of anti-Japanese activities there. It is claimed by the Japanese that Anti-Japanese propaganda is being revived at some places in violation of the Tangku armistice agreement.

Manchukuo Protests to Soviets Against Outrages

The Foreign Office of the Manchukuo Government Aug. 26 addressed a note of protest to Mr. Slavtsky, the Soviet Consul-General at Harbin, through Shih Lu-pen, the Manchukuo foreign commissioner for North Manchuria, enumerating a large number of cases of outrages allegedly committed by Soviet nationals on the Manchuria-Soviet border during the past year. Altogether 17 cases were cited, the principal charge being that in December a group of agents of the O. G. P. U. attacked and killed eight Manchurians who were on their way from Heiho to Tsitsihar to seek refuge.

Manchukuo Central Bank Is Prosperous

The shareholders of the Central Bank of Manchukuo held their regular general meeting Aug. 30. The report shows steady developments in all branches of the bank's business owing to the consolidation of its foundation and the stabilization of the national currency. It is stated that the deposits, which at the end of last December totalled about $50,000,000 have risen to $97,000,000. The net profits of the bank for the term aggregated $513,225, an increase of about $150,000.

Kwangsi---Province of Spartans

(People's Tribune, August 1)

ONE hot summer afternoon last year a party of well-armed tourists in Kwangsi stopped their dusty motor car at a shady spot on the Wuchow-Nanning motor-road near the foot of a mountain about one hundred *li* from the provincial capital. For miles around, this particular region, is not cultivable, and, except for an occasional touring party, has until this day remained a forsaken district. Presently, a small group of native women carriers also arrived and threw off their heavy loads for a rest. The motorists, being from a neighboring province, were surprised at the sudden appearance of a handful of unprotected women in such a surrounding and began to inquire the nature of their occupation and the contents of the boxes.

"We carry silver dollars from Nanning to the next city," replied one of the women with a grin.

"Silver dollars in these boxes and not one soldier to protect you!" exclaimed the astounded strangers.

"A soldier to protect us? Who is going to rob us?" replied the women, equally surprised.

Two years of Spartan-like rule by the Kwangsi military has brought peace, security and more than tolerable living conditions to the province, and today, if one wishes to make a comparative study of the various provincial administrations in China, one would not hesitate to place Kwangsi at the top of the list as the best governed province, inhabited by poor, but happy, contented people.

When the so-called Northern Coalition collapsed a couple of years ago, the Kwangsi commanders, who had participated in the military campaigns against Chiang Kai-shek awakened to the futility of factional and regional strife, and returned to their own homes, determined first to put their own little domain in good order, and ensure good government, peace and decent livelihood to their fellow provincials before venturing forth again to attack the Herculian task of pacifying the whole country and ushering in the era of tranquility and prosperity for the entire nation. For over two years now the Kwangsi leaders have held on to their original aim and conscientiously and indefatigably carried out a program which is already producing remarkable results, and at the rate it is now progressing the Province of Kwangsi will soon be able to justify to claim to being China's "Model Province." It is impossible to do justice to the various accomplishments of the Kwangsi authorities within the space of one brief article and the following paragraphs can only give a general outline of the results of the reorganized provincial administration during the past two years.

Reorganizing Provincial Finances

The first important problem to which the Kwangsi leaders directed their attention was the reorganization of the provincial finances. A careful calculation put the total annual provincial revenue at about $22,000,000. Half of this amount was earmarked for military expenses and the remaining half for the various political and administrative measures. Military expenses in the provinces amount in general to nearly ninety per cent of the provincial revenues, and the fact that the Kwangsi military authorities had been able, at the very start, to reduce their expenses by almost half was in itself therefore a great achievement. To prevent leakage in the new fiscal system, all revenue organs were placed under the direct control of the provincial authorities. The remaining half of the estimated revenue was apportioned in the following manner: education, $3,000,000; reconstruction, $4,000,000; civili administration, $1,500,000; and the rest for judicial and administrative reforms. In accordance with the retrenchment policy, the salaries of all government officials were reduced to a minimum. The provincial commissioners, for example, were each allowed a salary of $200 and the district magistrates, $120, the minimum being as low was only $20. To enable the officials to live within their income, rules were adopted regulating entertainments and curtailing miscellaneous expenses, which would otherwise considerably increase their personal expenses.

The greatest emphasis is laid on the elimination of graft and the various evils which curse Chinese Society. In Nanning prison alone twenty-two former *hsien* leaders are being made to account for their *mal-faisance* during their respective terms of office. Many difficulties, however, are in the way towards abolishing the opium and gambling evil, mainly because of the financial aspect. Of the total provincial revenue of some $22,000,000 a year, some $10,000,000 come from opium and gambling, opium alone being responsible for $6,500,000. The cultivation of poppy is strictly prohibited, and this relatively huge amount of $6,500,000 is more in the nature of a transit-duty on opium from Kweichow and Yunnan to Kwangtung and other places. The most popular form of gambling, however, the playing of *mah-jong*, has been placed under ban, offenders being punished with seven days in prison or on road-repairing. In the army, however, there are no such things as opium smoking, gambling, and visiting houses of prostitution: these lapses rank as crimes as serious as desertion and are punishable by death.

With the annual military expenditure reduced from some $20,000,000 to approximately $11,000,000, a drastic reduction of the number of soldiers in the province and a thorough reorganization of the entire military system were necessary. The original four army corps, namely, the 4th, 7th, 8th and 15th, were reduced and reorganized into fixed divisions, with three brigades to each division. In addition to the regular army, there is also the "Min Tuan" or military, local civilian corps, totalling approximately twenty battalions. Every item of military expenditure, including the salaries of the officers and the monthly allowance of the soldiers, are published from month to month and made available to the public, the open account system being maintained throughout the army. The salaries of the officers, as a result of the retrenchment policy, were paid on a percentage basis according to ranks, although the ordinary soldier was assured of a monthly wage of $10.

The *Min Tuan* A particularly noteworthy feature of the military reorganization of the province is to be found in the system of organization of the local civilian corps or Min Tuan. At the beginning of the reorganization of the provincial administration, the military authorities were confronted with the problem of local banditry and lawlessness. To eradicate the menace to public peace, the civilian corps in the various districts or *hsien* were adequately equipped and generously financed by the Provincial Government. The entire province was subsequently divided into six main divisions, under the control of a divisional commander, each division containing fifteen or sixteen *hsien*, or a total of 92 *hsien* altogether. A branch headquarters of the militia was established in each district with the district magistrate acting concurrently as the commander of the corps.

The strength of the district militia varies according to the condition in each particular locality, although, usually, there are about between two to four companies attached to each district, the maintenance expenses of which are appropriated from the provincial treasury. All ablebodied males between the ages of twenty to forty are subject to conscription for the period of six months. Every six months the entire corps is retired, and new members from each particular locality enrolled for training. The retired members of the civilian corps are then regarded as reserve units of the provincial army. After the operation of the system for a year and a half, banditry and local disturbances disappeared entirely, with the result that today no province in China is more efficiently and better governed, in point of security of life, than the province of Kwangsi. During recent months there have been repeated petitions for the mobilization of the militia for active service in North China which is an indication of the confidence and true military spirit on the part of the people of Kwangsi.

Like the "Ironsides of Chang Fa-Kwei, and to some extent the famous 19th Route Army and the former Kuo-Min Chun under Feng Yu-hsiang, the Kwangsi army belongs to the people, not to individual chiefs. There is a strict discipline among the rank and file and a genuine co-operation between the civil and military authorities, together with the realisation that the army is essentially the servant of the people. Thus the reorganisation of the Kwangsi army and the drastic disbandment program referred to above was accomplished within a minimum of time, and without friction. Most of the superfluous army officers obtained useful employment on the Min Tuan training staff. This Min Tuan training scheme which combines military training and general practical education is now in full sway, so that at the end of the contemplated five years there will be some 100,000

civilians available for military service in the case of any emergency—at a cost of some 3¾ million dollars per annum, which is not considerable in view of the general benefits acruing to the province.

Military Strategy to Be Studied

To keep pace with the progress of military science, General Li Tsung-Jen, the Chief Commanding Officer of the Kwangsi Forces, has recently instituted a special committee for the study of military strategy and tactics. All officers above the rank of lieutenant are regularly required to attend classes at which they are also given occasional opportunities to acquaint themselves with latest inventions in armaments. The common soldiers have four hours of practical training of some kind every day, with an extra-period for classwork to prevent them from distraction and indulgence in harmful pursuits, their more purely military activities being confined to bandit-suppression.

To facilitate the introduction of political administrative innovations, regular tours throughout the province have been conducted by the provincial government authorities since the beginning of last year. Prior to their departure for their respective destinations in the province, the provincial investigators are usually given instructions as to what particular phases of the civil administration they are to pay special attention. Detailed reports with comments and recommendations are required of the investigators upon their return, and reform measures are then formulated by a special provincial committee for each particular locality. At present about thirty provincial investigators are constantly touring the province once every six months, and the rapid progress made by the various district authorities is well reflected in press reports and official gazettes.

Due to the comparatively backwardness of the border regions, entirely different methods are being employed by the provincial authorities for the improvement of these districts. Special attention is paid by the responsible provincial organs to communication facilities in order that transmission of messages between the outlying districts and the provincial government can be attained with rapidity and at frequent intervals.

By far the most marked progress achieved by the Kwangsi military authorities is in the various reconstruction measures. Although the total annual budget permits an expenditure of only $4,000,000, much advance has been made in the communication facilities and the promotion of native industries. According to official reports, a total of 6,000 *li* of public highways have been constructed during the past year, all leading to the city of Nanning, the provincial capital. As an illustration of the progress in communication, it may be mentioned that it is now possible to reach Nanning from Liuchow, Wuchow or Lungchow within one day. A journey by motor bus on the public highway from Nanning to such far distant city as Kweilin, Fuho and the distant districts bordering on Kwangtung and Hunan can now be completed within two days. Several inter-provincial highways are also under construction and it is expected that direct communication by highway between Kwangsi and Yunnan, and Kwangsi and Kweichow will be possible before the summer.

Province Divided Into Four Areas

For the purposes of reconstruction the province is divided into four areas. These are the commercial, cultural, political and industrial areas, with Wuchow, Nanning, and Liuchow as their respective centres. Wuchow, the commercial centre, is the main gateway of Kwangsi, on the border of Kwangtung—a two days' distance by boat from Canton. The municipal government there consists only of two bureaux. The Bureau of Public Safety and the Bureau of Reconstruction, the directors of which get a salary of $120, and no squeeze. The streets are clean and smooth; the electric supply is being enlarged to the increasing demand, while a 600,000 dollar project for a city waterworks is being launched. The provincial University is also situated just outside the city on the Pei Mountains amidst beautiful surrounds. There is also a joint Kwangsi-Kwangtung sulfuric acid plant, established in 1929, but which is at present suffering from a shortage of funds. Kweilin, the cultural centre, was the former provincial capital, and is noted for beautiful scenery. Here are situated the law school, a senior middle-school, an institute for girls and various primary schools, together with a well-managed city library—a Peking in miniature. Nanning, the provincial capital, is naturally more prespecous than the others. One thing which will strike the visitor is the simplicity of attire and the devotion to work of the government officials, who, from the provincial chairman down to the lowest, are all clad in home-made cloth. Liuchow, the industrial centre, derives its name from the famous Tang Dynasty poet Liu Chung-Yuan. There is a provincial alcohol factory, a machine shop, and a cement works, in addition to an experimental station for agriculture and forestry, situated in the south-eastern suburbs on 4,000 *mow* of land, and complete with laboratory, library, exhibition room for specimens, and various machinery for sowing, reaping, and moving. There is also an experimental farm as a first step in rural reform at Satang village, about 30 *li* from Wuchow, with a public grocery, a public library, and a money-lending office, under the direction of General Wu Ting-Yang, the one-time Provincial Commissioner of Reconstruction under General Huang Shao-Hsiung.

Important Changes in Educational System

The entire provincial educational system has likewise undergone important changes. Many of the public school have been amalgamated, while still others were abolished. At present the Kwangsi Provincial University is the highest educational institution in the province. It has a total enrolment of about seven hundred students who are studying liberal sciences, engineering and agriculture. The number of senior and junior middle schools has been considerably reduced, and those which are left, about twenty in number, have been placed more or less on a similar standard. In the various districts there are also semi-public junior middle schools which are maintained partly at the expense of the local government and partly by private means.

A novel feature of the reform program is the abolition of many of the undesirable superstitious practices of the masses. New regulations governing marriages, funerals, birthday celebrations, dresses and various other personal questions have been fomulated and are now strictly enforced. For example, the total expense in connection with a marriage may not exceed $100, while guests may be entertained only with tea. In case special permission is obtained for the giving of feasts, each table may not cost more than $10. All presents must be native products. Such superstitious practices as the burning of joss, offering of food to departed spirits, worshipping of idols and consultation with monks and Buddhists are strictly forbidden. The dresses of students, military units and governmental staff members are strictly regulated, while appropriate uniforms has been prescribed for girl students. The use of native-made cloth is everywhere encouraged.

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A modern Sparta, Kwangsi province is showing what can be achieved by a few determined, conscientious, leaders, in spite of the general poverty, and gives an idea of what will become of the Chinese Republic as a whole once internal conditions are more settled and the regional independence of predatory militarism consolidated into a democratically centralised political entity, once the liquidation of the menace of foreign aggression and the effects of China's international bondage enables Dr. Sun's program of national reconstruction to be put in full operation.

Another Revolt in Cuba—Cespedes Government Resigns

Following close on the heels of a destructive hurricane, another revolt occurred in Cuba Sept. 5, as a result of which the recently organized Cespedes government has resigned. The so-called newly created Republican government has distinctly Communistic leanings. As in the previous revolt a number of persons were shot dead. Although wishing to do nothing which could be construed as interference or intervention the U. S. Government has dispatched a large cruiser and several destroyers to Havana.

Spilvanek Appointed Soviet Consul General in Shanghai

I. Spilvanek has been appointed the new Soviet consul general in Shanghai by the Commissariat of Foreign Affairs in Moscow. He was formerly the first secretary of the Soviet Embassy in Tokyo. He is expected to arrive in Shanghai some time between Sept. 20 and 25.

Mr. Spilvanek in former years served in China. He was in charge of the Soviet Embassy at the period of the late Chang Tso-lin's searching raid upon a part of said premises in 1927.

Reflections on Marshal Feng Yu-hsiang's Hospitality

BY PAUL K. WHANG (王仲芳)

MARSHAL Feng Yu-hsiang, after playing a very comical role in fighting the Japanese with his two pistols, has returned to Taishan, China's sacred mountain in Shantung, where he had lived a hermit life twelve months ago prior to his departure for Kalgan during the Shantung warfare. The Marshal has had a very checkered career; but, being a shrewd politician and military strategist, he has always managed to withdraw himself from the political limelights at the psychological moment and emerge from his retirement when the political wind is once again in his favor. Likewise, his present retirement is merely a strategical move calculating to extricate himself from his difficult position in Kalgan and await the opportune time at which he can once again bid for political power. Therefore, his movements and gestures even in retirement can not but be viewed with interest and attention.

His arrival at Taishan on August 18 has been followed by many high officials of the Nanking government, who have gone there to persuade the Marshal to accept one of the government posts. In acting as a host to these official guests, the Marshal's reception was as typical as unique. We are indebted to the *Shanghai Evening Post*, which gave us on August 23 a vivid description of the reception extended by him to Sun Fo, the son of the Founder of the Chinese Republic and President of Legislative Yuan.

It appeared that Marshal Feng, after showing the distinguished guest and his entourage all the beautiful sights of the sacred mountain and incidentally working up their fine appetities, promised to give them a "big treat" and took them to his "dining room" inside the Temple of Five Sages. In accordance with the report, the promised treat which his guests were impatiently awaiting consisted of the following: A plateful of black bread, beancakes, beanroots, cabbages and some cold water. Before his guests started to eat, continued the report, the Marshal explained to them thus: "Taian is noted for three things: Cabbage, beancake and water. Now I treat you to all, which I never did before. I hope you will enjoy them." Mr. Sun, concluded the report, had brought along many canned meats with him, but was ashamed to open them in the presence of Marshal Feng.

The "dining room" in which this remarkable feast was served must be pervaded with an air of hypocrisy. The host in village attire, in honor of his distinguished guests, was generous enough to treat them to something which he never had done before; while the guests either in stylish foreign dresses or Chinese silk gowns, in deference to the wish of the generous host, had to "enjoy" the meal because they had nothing else to eat. What was the most pathetic of all is the fact that the President of the Legislative Yuan had to go through the painful experience of an empty stomach, when he could not offer his host and help himself with canned meats which he had brought along with him.

More of a Shock Than a Surprise

To the high officials who are accustomed to eat a dinner of sixty courses including such delicacies as sharkfins and bird-nest soup, a menu consisting of black bread, cabbage and water is rather a shock than a surprise. In calling that a "big treat," the Marshal must mistake the son of the Founder of the Chinese Republic for either a war or a famine victim, who has been compelled to subsist on leaves and roots when he has lost his home, possessions and employment. We wonder what kind of impression Mr. Sun has eventually derived from this "big treat" in comparison with a dinner of sixty courses.

In going through this unique menu, one can not help thinking if the Marshal has now been turned into a vegetarian. Or, because of his present residence in a temple, he may become a disciple of Buddhism and add a new faith to his long list of beliefs. Or, being well versed in old Chinese classics, he may believe that a man at his age is not yet qualified to wear silk and eat meats. Or, he merely practices economy and frugality for the sake of self-publicity with the object of capturing the hearts of the Chinese masses.

But anyhow, the Marshal's aversion to luxury is proverbial. Ever his coming to national prominence, he has been known to the country as the only general who has dressed himself as a common soldier and partaken of his meals with his soldiers. When he was the Minister of War of the National Government, he made the whole Capital talk when he was seen eating the coolie's food and sitting beside the driver in a truck. As a matter of fact, he was very much feared by his colleagues because of his outspokenness, in public addresses, in denouncing the luxurious dresses worn by the wives and daughters of some of the high officials. During his brief sojourn in Shanghai prior to the outbreak of local Sino-Japanese hostilities, he, in many of his speeches, deplored the extravagance and prodigality of Shanghai people.

The cynics, however, have expressed their doubt as to the sincerity of his words and acts. It has been asserted that his village attire and country food are nothing but measures intended to win the hearts of the Chinese masses so as to realize his ambition as a popular leader. The Marshal, it has been said, has been ready to use any tricks to promote his selfish ends: When he begged the support of missions, he embraced the faith of Christianity; when he aspired to be the idol of students and laborers, he transformed himself into a bolshevist; and when he wanted his soldiers to fight for him, he shared his bed and food with them. Now he is bidding for the support of the Chinese masses, he is therefore now dressing and eating as one of the country people.

While we have no mind to impugn the sincerity of the Marshal's words and acts, we do believe that any high official who can pursue a frugal way of making a living in the present world of luxury should be highly commended. Frugality, however, has its limit, and to pratice frugality beyond its limit is not only ridiculous but also injurious to one's health. One can hardly think that the Marshal can continue to maintain his robust health by being fed on black bread, vegetables and water without even some milk or meat. If the Marshal deems that his task of saving his country has not yet been consummated, he must by all means keep his body healthy and strong not for his own sake but for the sake of his own country.

Reform Should Be Reasonable and Logical

If the Marshal really deplores the extravagance and prodigality of the people of the present generation and wishes to arrest such evil influences, he must initiate some reforms which can be easily followed by the people. It is too much to expect the people to forego meats, and subsist on the diet as prescribed by the Marshal. The people, instead of following his example, will think his mode of living as hypocritical and ridiculous. Likewise, it will be also difficult to ask the people to discard their long robes and to adopt village attire throughout the country. In saying this, I do not mean that we must have meats for our meals and wear the best silk we can secure from the market, but what I aim at is that any reform measures to be adopted by the public must be reasonable and logical.

While the Marshal's mode of living may sound unreasonable, it should be strongly recommended to those government officials, who, through corrupted and evil practices, have amassed a great fortune and led a very luxurious life. Many of our officials in this "clean and honest government" have built their palatial foreign-styled houses in foreign settlements, and their wives and daughters have been dressed in imported costly fabrics. In contrast with Marshal Feng's frugality, they must be ashamed of their extravagance and prodigality.

In following the examples of those government officials, the common people have also indulged in all kinds of luxury. As a result, we are not satisfied with native food and native fabrics, and must fill our appetites with foreign delicacies and cover our bodies with foreign fabrics. Thus the sale of our domestic products has fallen off, while our imports have been increasing rapidly.

In these circumstances, what we want to recommend to our people is not that they should eat black bread and cabbage, and wear village attire, but that they should eat the native food and wear the native fabrics. Since the present luxurious way of living has been initiated by the officials, it is up to them to show us how to pratice frugality and economy. Every government officials should go to Taishan to get a thrill from Marshal Feng's hospitality so as to learn something to reform his own mode of living.

Shanghai, September 5, 1933.

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Analyzing the "Shanghai Mind"

BY NYM WALES

LIKE most newcomers to the Far East, one of my first experiences was coming unexpectedly face to face with that curious blank wall stockade known as the "Shanghai mind," within which huddle together for comfort in exile the "foreign" inhabitants of a city where trade and commerce are more to the point than the humanities of life.

But, perhaps because I had no axe to grind, no cigarettes, machine-guns, motor cars, nor calicoes to sell, I soon felt stifled instead of comfortable in the rather stuffy atmosphere about me and developed an unholy curiosity about this unique psychological phenomenon. Perhaps my young-kitten eyes were merely not yet opened to the splendidness of the Nordic's "splendid isolation" policy. At any rate, I found myself frankly puzzled about the "Shanghai spirit." The latest contribution to my bafflement is a new book called "Chinese Dust," reviewed in the columns of the August 5 issue of this journal, in which a missionary strangles to death a consumptive ricksha man. "Despite the sugary taint of the missionary, he had emerged at last with that true bee-and-beer savor of the Englishman about him. 'Yellow swine,' he had uttered, as he killed his man . . . He had gone out like a Briton." Published by Jarrolds in London, a supposedly reputable firm, it is an amazing testimonial to the psychoses of the Sinophobiac treaty-port "die-hard" in China, and as such moves me to contemplate the subject.

If any Chinese should by chance stumble across this peculiar bit of literature, I trust he will enjoy it on the ground that it is probably a desperate swan-song, and let the die-hards enjoy a last, long lingering gasp. He must remember what the phrase "die-hard" stands for.

As nearly as I can make out, a die-hard is a species of foreign business man resident in China who came with the whiteman's burden in a peddler's knapsack on his broad snow-white shoulders—came, saw, but has not yet conquered (because of the "impractical" ideas of Woodrow Wilson and the inability of the silk-hatted gentlemen at Geneva to agree with Japan on who should determine the self-determination of nations)—and won't let the old cat of empire-building die. He knows, however, that it's a long worm that hath no turning and anticipates that sooner or later feeble old China may get around to doing just that, and he will have to pack up his dolls and dishes along with his extra-territoriality privileges generally and abdicate his divine mandate of rule by lack of skin-pigment. This would be very regrettable. Should he become extinct like the great dodo, a great deal of fascinating experimental data would be taken away from the psychologist.

The English in Shanghai

Historically, I believe Arthur Ransome, of the *Manchester Guardian*, originated the phrase, "Shanghai mind." Speaking of the British die-hard, he remarked long ago:

> "They seem to have lived in a comfortable but hermetically sealed glass case since 1901, and since English information on China, and Chinese information on England comes for the most part through Shanghai and similar places, it cannot be too clearly understood, both in England and China, that Shanghailanders of English extraction belong, if they belong to England at all, to an England that no longer exists . . . They make difficult any good understanding between England and China because, just as we at home are apt to think of them as English, so the Chinese, in China, make the same mistake."

Somerset Maugham has also made some illuminating remarks about these expatriates who are trying so pathetically hard to live in another man's land.

Their spokesman in "Chinese Dust" finds nothing in China but smells and horrors. But I can't believe that the delicate noses of "Kipling's kin" can be thus offended to the extent of causing the painful nasal upturn which expresses his attitude toward China's great unbathed. I think he is also smelling a rat of a different color. Or maybe it is a cat, our old friend mentioned above that has long been dying. And an old cat with nine lives dies hard, especially when it happens to be a big cat like the once-rampant lion of British Imperialism. Such a sick feline could scarcely be in good odor with those who live by the sword in the shadow of a few gunboats subject to possible orders from an unpaternal, "weak-kneed" government which no longer acts without arguing about the dominion-over-palm-and-pine-and-pagoda policy. (Unfortunately the sick-cat metaphor would become too mixed should one refer to the fleur-de-lys or the double-headed eagle, say, in the same breath.)

I think that perhaps their noses turn up not so much with disdain for things Chinese as with the pride that precedes a fall which they know is coming. It is that kind of nose-thumbing which the small boy directs toward his lurking enemies as he whistles in the dark.

I think that the British Shanghai resident is scenting from afar unsavory developments in what was once Mr. Disraeli's government, foul un-Tory phrasings from the mouth of Mr. Chamberlain, unperfumed remarks about limitation of colonial forces, peace at any price, smelly premonitions that the good old spirit of St. George the dragon-slayer is lying low—good old St. George who didn't get around to slaying the Chinese dragon for Merrie England before the Washington Conference. You can hardly expect all the little Shanghai St. Georges to enjoy twiddling their husky thumbs just because Papa St. George is old and tired and sick of empire-building. They're in rather an unheroic position when H. B. M. will not countenance his loyal subjects' doing any more strenuous dragon-slaying than the kicking of the blue jeans of Chinese coolies (or the egging on of Japanese bluejackets to do it for them), or indeed the making of unkind remarks from behind the cover of their extra-territorial newspapers. What a life for the cousins of Jack-the-Giant-Killer! (Especially when all this affects the Celestial imperturbability about as much as the barkings of small dogs, even when so pugnacious and tenacious a pug as Mr. H. G. W. W., C. B. E. (China's Best Enemy) alternately whines and snarls!)

And as to the attendant abdominal disgust which they appear to feel for things and persons Chinese, that is also easily explained. It is that nausea which comes from being forced to disgorge a too-large morsel that has been all but swallowed. They apparently do not find China so disgusting that they hate the thought of perpetually nibbling off a little more and a little more of it. Vide the appetite of the S. F. R. A. at the moment.

However, there is another facet to the Shanghai mind situation. I was never much puzzled about the eye, ear, nose and throat reaction—but a really strange angle of it has struck my sense of logic. It is this:

Before coming to China one is likely to make the mistake of thinking of the foreign residents there as a kind of parasite fungus-growth spread sporadically along the treaty ports like a little colony of white mold on the edge of a gelatine culture. Apart from the body of their host, they would not exist. But one soon discovers that the infinitesimal parasite considers itself much more important to the world's work than its host, and far superior, far superior; in fact, that the host exists, if at all, only for the nourishment of the incubus. (I suppose that is how a leech considers the particular toe to which he has designed to attach himself on a bathing beach, too!)

The "Superior" Man

I was quite willing to grant that they were superior. Why not? Who was I to disturb such a happy conclusion? But why did they so vehemently and vocally "hate" the Chinese? That was the psychological rub. Hatred is a quality which equal rivals bestow upon each other. The "superior man" pities and patronizes his inferiors (as any good Confucianist can tell). There is the lofty condescension of noblesse oblige. In fact, the securely "superior" man is quite unconscious of his eminence and just as indifferent to the relative status of those about him. Only those who are not quite sure in their own minds find it necessary to protest their superiority, in order to convince themselves—like Lady Macbeth. Unlikes attract, the positive to the negative; it is likes which repel.

Horrible thought! But, as an outsider, I was astounded to find the British and Chinese very much alike. They were both new discoveries to me, of course, so I had scarcely any preconceived ideas about either phenomenon. To begin with, ethnologists say that they both belong to the human race. I have never heard any of the British die-hards admit this, but it is a haunting possibility.

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However, I shan't argue that. I have found more fundamental differences. As nearly as I can gather, the Briton's superiority lies in his perfection of Chesterfieldian personal habit, as contrasted with the Confucian code.

For instance, the national pipe-smoking habit of each country: The dreadful Chinese smoke a much darker brown substance than the British! And the stem is altogether too long! This is very "bad form" today, I believe, although it was not too long ago that the British lent a hand in teaching the trick.

And the matter of national tea-drinking (which Americanos consider "sissy"), the Chinese cup-cuddlers have never learned the rites of this mutual religion, as the British have. They neglect the afternoon muffins! And who knows but that they may oversleep some mornings at six o'clock tea-time, which no good Englishman would ever do. The pupils have outlearned their masters here.

And as to the habit of carrying a stick while walking: Although few Chinese err to the extent of neglecting this fashionable little nicety altogether, anyone should know that one carries a stick under the arm instead of on the shoulder! It just isn't done at the horizontal angle. (And with bundles on each end, too, faugh!)

Also, in the daily promenade about the block with the household pets in tow, anyone should know that for sheer elegance one dog-leash in the hand is worth two birds in the cage!

Although the Chinese shares the Englishman's cricket enthusiasm, in this mutual outdoor sport, how much more intelligent it seems to see a ruddy Briton hopping about than a Chinese letting his cricket hop about for him!

As to the public expectorating habit: The timid and filially pious Chinese remains true to the tradition of his father, while the Britisher of this generation has repudiated the unsacred memory of his. Ah, the once-sawdust bar and the red-lettered "no spitting" placards!

Chinese men have a great horror of being too newly and too well-dressed. Let some Parisian comment on the hereditary picture of England's finest aristocracy, the rustic "Duke" in the old brown tweeds, baggy at the knee, then page one of China's gentleman scholars in his faded blue gown.

The only international hero yet evolved by China is Fu Manchu—whereas England has contributed, ah, Sherlock Holmes!

Unlike the British, the Chinese are notorious compromisers in politics. What a splitting and re-splitting of parties! Match Sun Fo with Winston Churchill, for instance.

Whereas the Latins and Teutons have always challenged their insulters to duels, the Chinese, like the British, settled their troubles by third party mediation. But, shade of Anglo-Saxon jurisprudence, the backward Chinese is content with a jury of one or two instead of twelve! Even an African wants his whole tribe present on such occasions!

A Matter of Sensitiveness

Thee S. P. C. A. can never understand why Chinese restauranteurs persist in plucking pigeons alive, and makes the most gallant efforts toward preventing coolies from dipping rats into boiling water by the tail (which confuses the Chinese very much. He can never understand how the British can be so horrified at such performances in the name of kindness to animals, and be so bullying and prone toward beating-up any of the human beings under his yoke on the slightest provocation). Then, too, the Chinese seem to have none of that fine sensitivity to the sufferings of others at Yangtsze famine times, such as that which prompted England to be so magnanimous to Russia's famine victims ten years ago.

Chinese houses are so devoid of the "comforts of home." They have no steam heat, no overstuffed upholstering in sight—and the chairs are straight-backed with hard seats, pillows and beds being almost as hard. Their cupboards contain more family heirlooms in the form of bric-a-brac and more bric-a-brac than fine linen (though they always have a little blue-and-white Willow Pattern ware). So unlike an English domicile!

Chinese society is regulated entirely by an old guild-residual of class—which divides men into infinitesimally fine social strata in distinguishing those who work with one hand or two. To an Englishman the distinction lies in whether he works with two hands or one. To label his position the Chinese wears long fingernails and a nob on his flat hat. The Englishman wears long coat-tails and a high hat on his nob.

Far from British ideals, the great ambition in China is securing a sinecure in officialdom, a place as a "gentleman and a scholar," with an eventual respectable old age in pottering about the garden. Although China shares the British "untouchable" attitude toward the merchant class, it is commonly suspected by the British that it is here one finds most of the Celestial grey matter functioning. (What was it Napoleon said about England's fame as a "nation of shopkeepers?)

The cult of "face and pokerface" makes the Chinese a cringing slave in the observance of the punctilios of conventionality. He spends most of his life battling with windmills in the heroic pursuit of face-saving, and the rest as a terrified fugitive from "scenes," and facial demonstrations of emotion. How very unlike the English gentleman's code!

Perhaps only a Frenchman would be able to explain why the Chinese consider manners more important than morals, at the same time that he explains why the Britisher considers lack of manners more important than lack of morals.

Shanghai, Aug. 29, 1933.

Redemption Drawing for Eight Loans to Be Held Sept 20

According to an announcement of the Ministry of Finance, public drawings for the redemption of part of the principal of the following eight loans will be held at the Shanghai Chinese Bankers' Association on September 20.

2.4 million Treasury Notes (1926) secured on the cancelled Austrian share of the Boxer Indemnity;
7th Year (1918) Long Term Loan;
14th Year (1925) Loan;
17th Year (1928) Military Supply Loan;
17th Year (1928) Rehabilitation Loan;
20th Year (1931) Currency Short Term Loan;
18th Year (1929) Famine Relief Loan;
19th Year (1930) Customs Loan.

Movement Started in Ireland Against President De Valera

A move toward consolidating the opposition against Eamonn de Valera, the President of the Irish Free State, into a new party led by General O'Duffy was made in Dublin, September 1 when the executive of the Centre Party decided to recommend the party to merge with the Cosgrave group. The new party, in which the National Guard (Blue Shirts) would also merge, would be led by General O'Duffy, with William Cosgrave as the party's chairman in the Dail.

American Minister's Secretary Figures in Peiping Incident

Miss Emmeline Argnello, private secretary to Nelson T. Johnson, the American Minister to China, was involved in an incident with Japanese Legation guards while riding on the bridle-path round the glacis at Peiping September 4. Miss Arguello ignored a note handed to her personally that the Japanese military authorities had decided to stop all riding in that area. On returning, she was surrounded by a dozen soldiers with fixed bayonets. Miss Arguello was saved from violence by the intervention of Commandant Benoit-Guyod, Commandant of the French Legation Guard.

Java Sugar Mills May Be Erected in Shanghai

It is reported from Tokyo that Java sugar firms are trying hard to find new markets in China. A representative of Nivas & Co., an official sales organ of Java sugar, reported to the Netherlands Indies government that Java sugar would be able to expel Japanese sugars from Chinese markets by establishing sugar manufacturing mills in Shanghai with Java capital supplying Java sugar.

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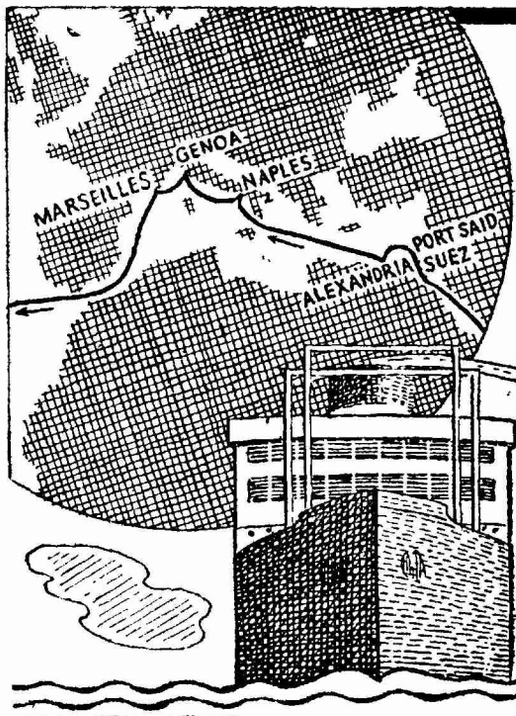

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Anglo-Japanese Rivalry in Cotton Industry Becomes Stronger Daily

(By the Review's Tokyo Correspondent)
(Translations from various Japanese publications)

BOTH Government and people are greatly concerned with the development of the Anglo-Japanese rivalry in the cotton industry. The result of the coming Simla parley is looked forward to with unusual interest. In the dailies of both Tokyo and Osaka the progress of the preparation for the Simla conference has been daily reported, although articles on the subject have appeared less frequently in trade journals and popular magazines. This tendency in the magazine world, however, does not mean abated interest on the part of the public in the pending Anglo-Japanese rivalry. Especially noteworthy in this connection is the fact that during the months of July and August little or no comment on the anglo-Japanese cotton rivalry, which is no doubt the direct cause of the present deplorable situation, has been expressed through publications of note. This is, it is presumed, partly because Shingo Tsuda, President of the Kanegafuchi Cotton Spinning Company, published in his name a pamphlet entitled the Anglo-Japanese Rivalry in the Cotton Industry. The same was also printed in various popular and trade journals such as the Aug. 15 number of the *Jitsugyo-no Nippon* and Aug. 10 issue of the *Diamond*. As Mr. Tsuda of the Kanegafuchi Cotton Spinning Company and Seijiro Miyajima, President of the Japan-China Cotton Spinning Company, are regarded as the greatest figures in the cotton spinning industrial world of Japan, their views on the affair are cited here. All press comments and personal views on the coming Anglo-Japanese and Indo-Japanese conferences which are not directly related to the cotton industry are excluded.

Leading Press Comments

Osaka Asahi, August 11.—At the farewell banquet held in honor of the Japanese representatives to the Anglo-Japanese and Indo-Japanese parleys, Gentaro Okada, one of the delegates, delivered a speech in the following vein: "The coming Anglo-Japanese conference being the unavoidable product of the British oppression brought to bear upon Japanese cotton industry with the object of restoring prosperity in her cotton spinning industry, the outlook of the coming parley is enveloped in quite a gloomy atomosphere. There are among British spinners some who, fully aware of the fact that the lowness of Japanese cotton fabrics is not the result of dumping but due entirely to low production cost, seek to cooperate with the Japanese industrialists, but most of the Manchester cotton men are helplessly ignorant of the actual situation. On arriving in England we are to enlighten both the Government and the people in cooperation with Mr. Kadono; they shall have correct knowledge of how things stand.

Kiyoshi Inoue delivered a speech to the following effect, "Seeing that the total profit of the cotton industrial enterprises of Japan comes to not more than Yen 50,000,000 a year, it is impossible for Japan to bear the burden of a 75 percent duty on her yearly export of Yen 100,000,000 of cotton cloth to India. That the Japanese cotton spinning industry could stand the 50 percent duty is because of the lowered price of American raw cotton and reduced production cost. However, in view of the existing gloomy outlook for high prices of American raw cotton, impossibility of further cutting the cost of production and the possible improvement in the yen exchange rate, even if the tariff were to be reduced to 40 percent, Japan's cotton cloth export to India would experience no little difficulties. As regards the boycott of Indian raw cotton, the decisive practice will no doubt give inconvenience to the Japanese spinners, but it will not last long, for they have other sources of supply. Thus, if the Indo-Japanese talks result to a deadlock, we need not look upon the future of our cotton industry with pessimism.

Tokyo Asahi, August 8.—Boycott of Indian raw cotton is not a threat: It seems the Manchester cotton men considered that Japan's attempt at boycotting Indian cotton will in the end prove a failure. The report that the Japanese spinners had began making a scientific study and had purchased Persian, Turkish and Uruguayan raw cotton took them by surprise. The British side seems to have become apprehensive of the effect of the practice on the life of the native Indian agrarians. Taking no notice of Japan's attitude of patient endurance the Indian Government raised its import duty on Japanese cotton cloth to as high as 73 percent in March. Such an act is outrageous, because the daily necessities of the Indian public have been made to rank with luxuries. Later, steps were taken to abrogate the Indo-Japanese Trade Agreement. Hereupon the spinners of Japan decided their perseverance had been exhausted and fell back upon their last recourse—boycott of Indian raw cotton. This counter measure won public sympathy as an unavoidable alternative to cope with the situation. In view of the give-and-take principle beginning to awake in the Powers' tariff policy, cotton growing countries other than India will be sure to come to our help. As to the prospect for self-supply of the material, thanks to successful trial cultivation of cotton plants in Chosen and Manchuria, the self-supply of the industrial material will be realized in the not distant future. It is not only because we were apprehensive of the ill effect of the boycott on our spinning industry but because we were afraid of this radical measure vitally affecting the life of the native Indian farmers. Already we hear their pathetic cries daily growing louder. We are anxiously watching the development of the situation in India in the coming season for the movement of product. Possibly, the raised tariff on cotton cloth from Japan and the boycott of raw cotton will deal no meagre blow to the Indian farming community whose purchasing power has greatly dwindled of late years. It all depends upon the Indian Government's coming to its senses.

(Translater's note: With reference to the cries raised by the Indian agrarian community, the *Tokyo Asahi* says in its August 6 issue, "In anticipation of the great loss that may result from the boycott, the cry for amicable settlement of the issue has grown louder among farming communities in the Central Province of India. No concrete protective measure has yet been shown to cotton growers by the Government, which is absorbed in considering the welfare of classes other than soil-tillers." Similar appeals are expected to crop up in various districts.)

As to the degree of seriousness with which the Indian Assembly views the affair the August 18 issue of the *Osaka Mainichi* states, "The Indian Legislative Assembly is to open on August 30. Among the many bills filed, besides the Government proposals in the agenda, it is worth while to note that discussion on the Indian cotton boycott by Japanese cotton textile people is listed for the first day of debate, which falls on August 31. In view of the firm attitude of the Japanese industrialists toward the anti-India cotton boycott, which was regarded at first as more less of a gesture, the present attention of the India Legislative Assembly to the question is taken as an evidence of serious concern." As to the raw cotton stock and its possible future supply the *Tokyo Nichi Nichi* says in its August 23 issue, "It seems there are in England those who anticipate the eventual failure of Japan's attempt at boycotting Indian cotton, yet the determination with which our cotton men are prepared to go at the movement is quite strong. Already they have made arrangements for getting sufficient supplies to replace the imports from India. The yearly purchases from India amount to 1,200,000 bales, and the material now in stock is calculated to last until about February of next year. It is expected that during the present year over 600,000 bales will come from China where a bountiful crop is anticipated. This figure may be further advanced in view of the idle spindles at Shanghai mills. Another

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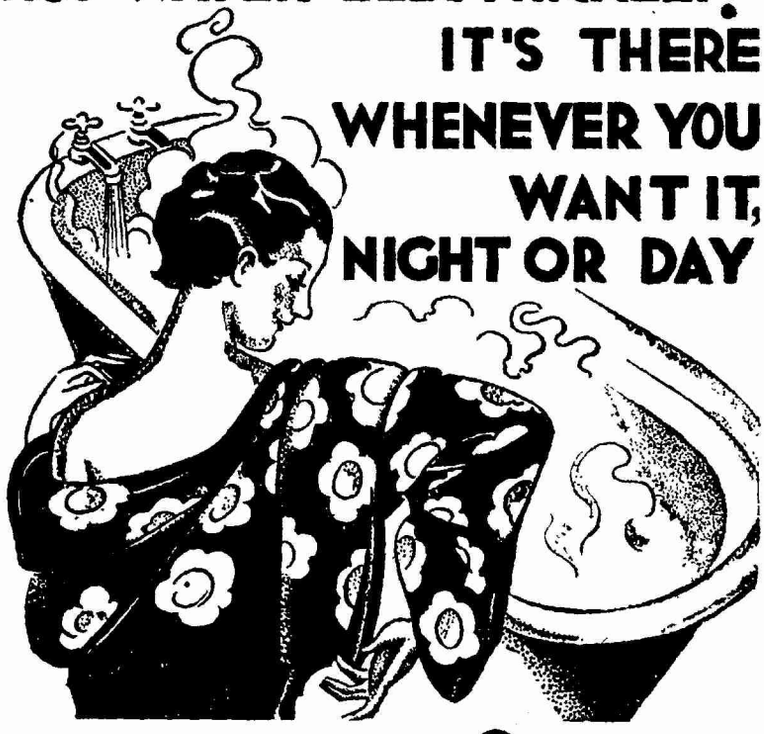

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source of supply is Turkey, from which they may expect 100,000 bales. With these supplies from China and Turkey the Japanese cotton spinning mills can be assured of sufficient supply of material until about autumn of next year."

Tokyo Nichi Nichi, Aug. 5.—Britain not united on cotton issue: Judging from the telegrams coming from London with regard to the Indo-Nippon tariff issue Downing Street's policy toward Japan is far from being definitely fixed. This is most natural. Lancashire may be anxious to open a trade war with Japan, but the cotton mill interests by no means dominate the British Government. As in any other country, the British industrial, commercial, and financial circles are made up of diversified interests, some profiting by closer relations with Japan and others ever in competition with their Nippon rivals. The final London attitude toward Japan must necessarily be determined after carefully weighing the relative gain and loss of these intersts. Even if Great Britain is deliberately delaying the opening of the Indo-Japanese negotiations, let us have enough confidence in ourselves to allow the London Government ample time to arrive at a decision. Thorough preparation is better than tedious delay after the parley is opened.

Osaka Mainichi, August 17.—British cotton men are near-sighted: The development of home industries in India and in China in the past several years—as well as the extension of machine industries in Soviet Russia—means just one thing in the coming decade: curtailment of the markets of the older industrial nations of the world. There are no longer world regions where manufactured and processed goods must all be imported. Indian mills are supplying a larger and larger proportion of the domestic consumption of cotton goods. Chinese factories are moving toward the production of the daily sundries required at home. Soviet Russia now boasts of plants and facilities unequalled even in the United States, for the wholesale production of machine goods. Lancashire cotton interests have brought pressure upon the British Government for the preservation of their markets in India and for the protection of cotton piece goods exports to that country. Britain's cotton goods trade within the Empire is less than 40 percent of her total world export. The London Government has been asked to sacrifice even the frindship of Tokyo in order to satisfy Lanchashire businessmen. Whether with protection or not, the eventual decimation of the Lancashire cotton exports to India is a question of but a few years, pending the further development of the Indian mills. British cotton men ought to look further, not only in India but in other market areas of the world as well, and should consider other factors besides those that are Japanese.

Japan's Position

(By Shingo Tsuda, President of the Kanegafuchi Cotton Spinning Company)

Living standard of Japanese workers not low: Despite Britain's assertion, Japanese workers' living conditions are much better than the British, the only difference lying in the former's requiring less money to maintain themselves.

India's pretext is unwarranted: India's pretext for the probibitive tariff is the lowness of the yen exchange rate. As the market price of raw cotton is common to the whole world, Japan with her low exchange gets no advanteage. The yen exchange rate has nothing to do with raw

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material, as that is imported into Japan from foreign countries. The competitive power of Japan's cotton goods in foreign market is limited to the manufacture and overhead expenditure—40 percent.

Japan can do without Indian cotton. Some people maintain that the strong point of Japan's spinning industry lies in the mixture of inferior Indian cotton with the American. But such a contention has little force under the existing situation. Japan may depend on Persia, China, Brazil, Turkey and New Guinea for her cotton supply and there is no fear of a lack of supply. Besides, it is easy to grow cotton-plants in Manchuria and steps are already being taken in that direction.

The dead would feel no pain whatever. Since the Indian market is closed to our goods, Indian raw cotton is no longer of any use to us. In fact, the boycott of Indian cotton is an effect and not a cause. Some are afraid of India's creating, as a retaliatory measure, prohibitive tariffs on Japanese goods other than cotton textiles, but the dead, that is we cotton men, would feel no pain whatever. The cotton problem is already a thing of the past. So long as Britain aims at closing all her markets to Japanese goods, our miscellaneous goods will in the long run meet the same fate if not worse. In resorting to the boycott, our spinners are now fighting Britain as the common enemy of Japan's industry.

Boycott will prove an incentive to Indians: Indians are constantly oppressed by the British and, though no public opinion can come to the fore, silent antagonism is ever alive among them. See how Britain is flattering them with proposals of self-government and by the accommodating treatment of Gandhi. Their hostile sentiment against Britain will be further augmented when the truth of the Anglo-Japanese situation is brought to light.

Britain will come to her senses: The outlook is not so pessimistic, for the goods Japan imported from various parts of the British Commonwealth during last year amounted to Yen 407,000,000 in value, while the Japanese goods exported to the Commonwealth during the same year were Yen 385,000,000, showing a balance of Yen 22,000 000 in favor of Britain. It is accordingly unthinkable that England will act so rashly as to wage a trade war against Japan; on the contrary, she will seek compromisory measure when she learns fully the actual circumstances surrounding the Japan-India cotton textile question.

What, if England fails to awake? Ever in India alone there are many regions which Britain finds it no easy task to keep in subjection. So we may send big shipments of our cotton goods to Nepal, Siam, Afghanistan, Persia, Kutch, Ceylon and other places. Now Australia is buying cotton goods from Britain and not from Japan. If she persists in not buying our cotton goods we will boycott her wool as a matter of national policy. We shall, in that case, possibly suffer from a lack of merino, but we shall be able to find a substitute for it elsewhere.

Eruption may be the culmination: To force expensive clothing upon a nation of low purchasing power by closing its market to moderate-priced Japanese goods means an utter disregard of the interest and well-being of the consumers. In case England goes on raising her tariff, that may usher in as a consequence a state of things which she would wish least to see.

Lessons from American independence: Was not the independence of America an outcome of heavy taxation imposed upon her by the mother country? Is it not a moral obligation on the part of a civilized country to supply backward peoples with cotton textiles, which are an absolute necessity of life, at a moderate price? Should England continue to embarrass her possessions, the solidarity of the British Empire will not be maintained. It is no exaggeration to say that the English cotton industry is now bankrupt of initiative. An industry which cannot maintain its existence unless a handicap of as great as 70-80 per cent. is imposed upon its rivals is a national handicap rather than an asset. The objective of industry should be furtherance of the welfare of all human beings. Freedom of industry and freedom of trade have been developed in the interests of the whole humanity. England will do well to emancipate all her possessions economically and institute a free flow of trade in conformity with her hundred-year old tradition—a tradition largely responsible for her present greatness.

Is China the Answer to the Situation in India?

(By Seijiro Miyajima, President of the Japan-China Cotton Spinning Company)

The annoucement by the Indian Government on April 11 to dissolve the Indo-Japanese Trade Agreement created a great sensation in the trade, industrial and economic circles of our country. It is already 30 years since the agreement came into existence. Why in the world should the Government of India decide on taking such a drastic measure? Though outwardly a question with India, this is in essence a problem with Britain. For ten years the question has been looming up and down the horizon but it has not gone beyond the domain of the cotton spinning industry. After the abrogation of the treaty, however, all the other industries will also be involved. The present entanglement can be traced fundamentally to the British policy to protect her overseas markets.

The coalition Cabinet formed subsequent to the general election in 1931 adopted as one of its policies the renunciation of free tree trade which the Kingdom had long adhered to. And the present culmination is undoubtedly one of many products of the changed front. In face of such a trade policy of Great Britain, the situation has recently turned more and more unfavorable to her in India, for Japanese goods have grown remarkably influential there notwithstanding the general trade inactivities. For the marked advance of our manufactures in the Indian market, the high industrial efficiency of Japan's manufacturing industry, low cost of production and re-imposition of gold export ban are responsible, all of which have combined to contribute to discourage British Indian trade. In our total export to India amounting to Yen 192,000,000 during last year some Yen 100,000,000 represents cotton manufactures. In this way the Lancashire cotton goods have nearly completely been knocked out of the Indian market by the Japanese make. The yen-rupee rate at par stands at 1.35, but at present it has come down to 0.80 to 0.823, which means some 30 to 40 peccent to our advantage. This favorable situation, in which the Japanese product has come to find itself, threatened to overthrow both the Indian and British cotton industry. Hereupon the Indian Government took a step to check the inflow of Japanese cotton goods. Which will suffer most in consequence is of course the Indian public.

Since 30 percent of our cotton yarn and cloth is disposed of in the Indian market, the cotton industry of our country will suffer from the boycott. We therefore have to seek outlets in other directions. The best market is China, and we may also depend on Egypt and Alaska. Since the Manchurian incident our export to the Chinese market has become inactive. It is now time for us to take seriously into consideration how best to direct our cotton manufactures to this ideal market in China. To attain the object it is necessary to enhance the economic relations of the two countries by putting an end to the pending disputes.

Lancashire's Contention

(Tokyo Nichi Nichi, August 3)

Sir Kenneth Stewart, Chairman of the Lancashire Cotton Corporation, Ltd, in a letter dated July 25 to Chokyuro Yadono, adviser to the Japanese delegation at the W. E. C., stated as follows, "....I am not going to attempt to discuss the Manchurian question from a political point of view. I may mention, however, that I have, as a friendly critic of Japan, taken frequent occasions to make it clear that China is not a poor, persecuted, ill-used nation in this respect, and that she has done her share of persecuting and ill-using Japan. At the same time I must confess that the setting up of Manchukuo, apart from any political aspect of the question, is not a pleasant prospect for anyone interested in China who does not happen to be a Japanese. Let me state in terms comparable to what has been our experience in the past. Japan took Korea, I should call it Chosen. My firm had a very nice business in cotton goods exported from China to Chosen. Japan closed her door tight by means of tariffs against any goods but those from Japan. Rightly or wrongly we firmly believe that as soon as Japan feels herself strong enough she will shut the Manchurian market just as completely. In the meantime we are asked to spend money in Manchukuo in registering trade marks, etc., when we are fully convinced that long before we can make any use of those marks we shall be shut out of Manchuria. I am only a layman, and thank heaven have not solved the difficulties that arose between nations. I think the difficulties that are looming up between Japan and Great Britain are pretty serious. A good many of our people believe that wherever Japan goes it means complete closing of markets against our goods. Our people think that this being so it is only fair that wherever we are in power we should have the right to shut markets against the Japanese. This sort of retaliation is bound to lead to most serious trouble as, so far as I can observe, most of the serious disputes between nations are economic."

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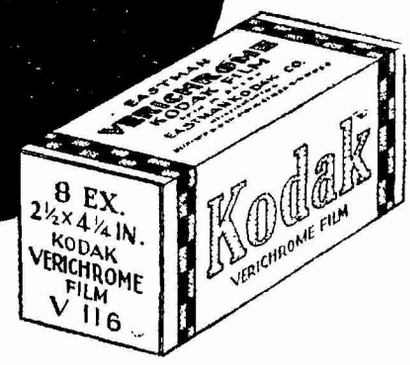

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National Child Welfare Association Holds Fifth Semi-Annual Meeting

The fifth semi-annual meeting of the National Child Welfare Association of China was held in Shanghai Aug. 31 under the chairmanship of Dr. H. H. Kung, governor general of the Central Bank of China, who is also president of the association. General Wu Te-chen, mayor of Greater Shanghai, stressed the importance of child welfare work such as demonstrated by the activities of the association, for, he said, the welfare of children affects the very foundation of the national life of a country.

After reviewing the work of the first six months of 1933, Dr. Kung appealed for the continued support of the friends and subscribers of the association, which is struggling for the betterment of the youth of China in a spirit of sacrifice. The general secretary, Jabin Hsu, reported on the work of the past six months; the treasurer K. H. Lin, gave a statement on the financial condition of the organization.

New Soviet Delegate for C.E.R. Negotiations

Mr. Barshnikov, a director of the Moscow State Bank, who has been nominated as an expert delegate to the Russo-Manchukuo negotiations for the transfer of the C.E.R., arrived in Tokyo Sept. 3. Referring to the conference, he stated that while there had been a wide divergence of opinions between Russia and Manchukuo regarding the terms of the transfer, he was confident that a satisfactory understanding would be reached between the two countries. The Soviet-Manchukuo negotiations for the transfer of the C.E.R., which were postponed indefinitely owing to the divergence of opinion between the Soviet Union and Manchukuo in regard to the exchange rate between the rouble and the yen, will be resumed again shortly after the arrival of Mr. Barshnikov and his staff.

The Japanese Foreign, War and Navy Offices are now studying the possibility of convening in the near future a tripartite conference between Russia, Manchukuo and Japan regarding the solution of various pending border distputes.

The Ussurian Railway has received a communication from the South Mauchurian railway denouncing the agreement existing between the two railways as regards the proportionate distribution of Manchurian freights. *Tass* says that by undermining the C.E.R.'s financial position, the South Manchurian railway seeks to make its exploitation unprofitable, believing that this will force the Soviets to sell the railway to Manchukuo at a considerably lower price.

Commissar for the Army and Navy K. E. Voroshilov of the Moscow Government, proceeded to Habarovsk recently. His trip to the Far East was taken in order to inspect the regular military maneuvers, but he is also known as a strong opponent of the idea of transferring the C.E.R. to Manchukuo.

The Soviet Government during the week denied Japanese reports of the dispatch of Russian remforcements to Eastern Siberia.

Restrictions on Foreign Publications

The Ministry of Interior has drawn up detailed measures governing foreign publications in China. According to the new arrangement, all foreign publications must register and have their certificates duly examined by the proper authorities. Those who fail to register and get their necessary certificates will not be permitted to enjoy the special postage rates allowed on ordinary newspapers.

China Contemplates Imposing Duty on Foreign Rice

The recent petition of the National Associated Chambers of Commerce to the Ministry of Finance for the imposition of an import duty on foreign rice is generally upheld by the Chinese Press. The *Sin Wen Pao* comments that, on account of the dilatoriness of the authorities, no duties are yet collected on foreign rice imports. Though the new Import Tariff promulgated in May last provides for the collection of duties on foreign wheat, it still permits the importation of foreign rice free of duty.

Is Japan Preparing for More Conquest in North China?

(The following article by Brigadier-General Henry J. Reilly, U.S. Army, retired, appeared in the San Francisco Chronicle on July 30. Gen. Reilly, a frequent visitor to the Far East and writer on military subjects, forecasts a further military advance on the part of Japan in the near future).

NOW that both the London Economic Conference and the Geneva Arms Conference have proved barren of result there is increasing indication that Japan will resume her conquest on the continent of Asia. By further aggression she can secure her borders on that continent from land attack so that she will be free to insist upon increasing her navy in the 1935 conference prescribed by the Washington and London treaties.

Informed Washington circles point out that such a move is fully in accordance with the practice followed by Japan in her rise to the position of a world power. The Japanese diplomats were hardly out of Geneva and not yet out of London before the peace that had prevailed for some weeks since the signing of the Tongku truce with the Chinese was broken. It is, therefore, asked what will her next step be? How far will she go?

Will Take Territory at China's Expense

There is little doubt that she will attempt to control and consolidate at least Manchukuo. Inner Mongolia, Chili, the province of Peking and Tientsin and also Shantung.

Such a position, frequently called the Tanaka policy, is a logical one from a purely militay viewpoint. It would secure most of the raw material and food Japan needs in the case of a war in the Pacific, while at the same time it would enable her with a relatively small force of troops to prevent any danger of land attack by Russia or China, or both. This, of course, would free the mass of her well trained and equipped war army of at least 1,500,000 for an overseas expeditionary force, unless the defeat of her navy confined them to the home islands.

When this writer spent most of an afternoon with the General Baron Tanaka at his house in Tokyo not long before his death, he was more and more impressed with the idea that Tanaka typified Japan as it really is. He was dressed in the ordinary clothes of a Japanese gentleman, with no signs of his high political or military rank. His house was modest, typically Japanese, surrounded by a small garden. Gravely and courteously he discussed Japan and her problems. There could be no doubt, however, of an inflexible will ready, regardless of danger or difficulty, to unselfishly carry out the policy reasoned out as best to enable his people to meet the fierce competition that dominates international relationships.

Japanese People Follow the Army and Navy

Not only the leaders of the Japanese army and navy, but their officer corps as a whole, consist of men of this type. The mass of the Japanese people, who are primarily agriculturists and fishermen, believe in and follow these men, and not the horn-rimmed spectacled, foreign educated types that so easily persuade the foreigner that their ideas on pacifism and internationalism typify the Japanese people.

Business and industry as known in this country are steadily increasing, with a corresponding increase in the capitalistic and labor types that go with them. However, instead of dominating, as they largely do in this country, they are decidedly in the minority in numbers, and have but little control of Japan's foreign policies. They are not dominated by chambers of commerce, but by the general staffs of the army and navy working in conjunction with the imperial household. They are loyally supported by the great masses that serve in the armed forces.

The great war of 1914-18 freed Japan from the fear of having to face a superior naval force of several European powers, such as the combined fleets of France, Germany and Russia, which forced her to evacuate Port Arthur in 1896. As a consequence her practice since has been in accordance with three principles.

This first is, she never attempts to extend her power at sea in the Pacific and on land on the continent of Asia at the same time. She advances on land when she feels reasonably secure on her sea frontier, and vice versa.

The second is that her land advances since 1914 coincide with the periods when the American Navy, because busy elsewhere, or too weak, cannot threaten her sea frontier.

The third is that when an international conference is going on in which she may gain by negotiation, she keeps her military forces quiet; but, if unsuccessful in the conference, she then unhesitatingly uses force to obtain her ends.

It is considered an open secret that except for the interchange of views concerning the future of Japan, Russia and Britain in Asia, Japan came away from London empty handed.

Japan's Claim to Special Privilege in China

Similarly, the Marquis Ishii's effort in Washington to get consideration for Japan's erroneously named Asiatic Monroe doctrine failed, despite the propaganda still being issued from Japanese sources, which he had hoped would commit the Roosevelt administration in the same way he got an agreement from Mr. Wilson's Secretary of State Lansing. In the Ishii-Lansing agreement we virtually committed ourselves to recognition of Japan's claims to special privilege in China.

Her delegates came home from the Versailles Peace Conference with the spoils of the great war.

From the Washington Arms Conference they came home bringing a relative increase in the ratio of their fleet to ours from 5 to 10 to 6 to 10, and a tremendous increase in their Pacific sea position. The latter was due to our promise not to fortify the Aleutian islands or further to fortify our weak naval bases at Guam and in the Philippines. To get these, they had to promise to evacuate Shantung.

However, they gave up a Chinese province, the coast of which is dominated by Japan's navy and is but a short distance from her garrisons in Korea and Port Arthur in exchange for the virtual doubling of their sea power.

Japan Got the Best of the Bargain

In other words, they exchanged a Chinese province under their military domination, even when not actually occupied, for a decrease in the sea power of their immediate naval rival, which can only be compared to Nelson's victory over the French in the battle of the Nile. Nelson's triumph did not destroy France's sea power in the Mediterranean, but it so reduced it as to prevent France from again exercising any power in the Eastern Mediterranean if Britain objected. Similarly, the Washington Conference, while not destroying our North Pacific sea power, so reduced it as to prevent our exercising it in the western or Asiatic side of the North Pacific if Japan objects.

Japan came home from the London Naval Conference of 1930 with a still further limitation of the strength of our fleet relative to their own. By this, Mr. Hoover gave them what Mr. Coolidge had refused them at the Geneva 1927 conference.

From the outbreak of the war in 1914 until the time of our active participation we had to keep our navy in the Atlantic in an endeavor to protect our neutral commerce against the exactions of the belligerents. From our entry until the armistice, we had to have it there to protect the transport of the more than 2,000,000 troops we sent to France, and to reinforce the British in the North sea and the French and Italians in the Mediterranean.

This was the period of Japan's greatest advance on the continent of Asia.

The London Conference treaty prevented our building our navy to a vastly superior strength to Japan's in cruisers and other auxiliaries, just as the Washington Conference did in capital ships. In the Congress following its ratification we showed we did not intend to build even to treaty strength.

Shortly after, the Japanese troops seized Mukden, thus beginning the conquest that has led to the establishment of Manchukuo, the adding of Jehol to it and the setting up of the neutral zone south of the Great Wall.

Japanese Advances Are Well Timed

Each time until the last one, the halt in the Japanese advance has coincided with negotiations in the League of Nations at Geneva. The last one came with the opening of the London Conference. Each time, with Japan's failure to obtain what she wanted, the advance has been resumed.

Our recently announced naval building program will fill up hardly more than half the gap between our navy as it is today and its treaty strength.

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Thus, even if completed by the 1935 conference, we shall enter that conference but little superior to Japan in ships afloat, and still inferior to her in power because of her island bases covering the coast of Asia and reaching out across the Pacific to a point 400 miles closer to the Hawaiian islands than is San Francisco.

Therefore, until 1935 at least, our weakness at sea furnishes Japan an opportunity such as she has always seized in the past to enlarge her holdings on the Asiatic continent.

Increasing Friction Between Soviets and Manchukuo

(By The Review's Correspondent in Manchuria)

The relations between the Soviets and Manchukuo are far from the road to improvement. In their joint control of the Chinese Eastern Railway the two sides do not see eye to eye on many questions concerning railway management.

At the Railway Board and Revision Committee meetings that took place recently many important questions concerning the railway were discussed—among others, the powers of the general manager of the railway (a Russian) and those of the assistant manager, a Manchu (Chinese); the question of introducing strict parities; reduction of the tariff rates and expenses; and the question of the locomotives and cars that were taken from the C.E.R. to Soviet territory.

The Manchukuo side insisted upon bringing up the rights and powers of the assistant manager to the level of those of the general manager, that is to make the two officials equal in powers and rights in all the matters concerning the management of the Railway, so that only those papers were valid which bear the signatures of both. The Soviet side opposed this proposal.

Soviets Assume a Firm Attitude

The Russian papers, in Harbin, which are under Japanese-Manchukuo control, devote almost every day space in their columns reproaching the Soviets for alleged smuggling of arms and war munitions into North Manchuria for the remnants of the Old Kirin Chinese Army. And the Soviets, though they do not state it through press or express it in any other way, are apparently inclined to think that the Chinese armed bands around the eastern section of the Chinese Eastern Railway are supported and encouraged by Manchukuo and the Japanese, the latter wishing the line to remain in a disabled state and unfit for traffic. During a recent week not a single freight car was sent from Harbin by the eastern line of the Railway; while 305 freight cars were dispatched by the southern line, carrying export cargo towards the port of Dairen.

News reaching Harbin from Siberia states that very energetic preparations are in progress everywhere in the regions bordering on Manchuria and Mongolia. The Soviet Far Eastern Army is gradually being increased in number by bringing new troops, trenches are dug throughout the length of the border line, and the population is instructed how to use gas masks, and render every possible help to the army in time of war, etc.

The Soviets, after making diplomatic as well as military preparations, seem to have resolved to assume quite a firm attitude in their policy towards their neighbors in the Far East.

Poor Business Conditions in Manchuria

The export of beans, the staple product of the country, has been very slow of late. It is reported that the firm of Dreifus, one of those of the longest standing in Manchuria, is going to wind up its business. The reason apparently is that the political changes in the country have created a number of impediments which make a successful business almost impossible.

Mr. Kaspe, owner of one of the largest buildings in Harbin and proprietor of the first class hotel, cinema-theatre, and restaurant, located in the building, is reported to have sold his building and the enterprises to a Japanese firm for the sum of U.S. $290,000.

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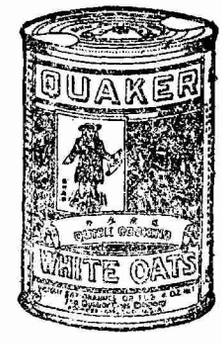

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66-073

Anti-War Conference Fails to Find a Place to Meet

The World Anti-War Conference, which was scheduled to be held in Shanghai on September 3, has been indefinitely postponed because no place can be found for holding the meeting. Lord Marley has expressed a hope that it will be convened before the end of September, but there are little prospects so far.

With reference to a report appearing in some of the local papers to the effect that two men, Liu Wen-mu, a professor, and Chang Yueh-hwa, a lawyer, were arrested by Chinese police for participation in the welcoming of the Lord Marley group of delegates for the United Front Anti-War Congress, a spokesman of the Greater Shanghai Municipal Government stated that the report is erroneous. The two men arrested, Lin Tien-mu and Chang Yu-kwang (not Lin Wen-mu and Chang Yueh-hwa as reported) were important members of the Chinese Communist Party and were arrested because of their subversive activities, he said.

Lord Marley addressed the Shanghai Rotary Club Aug. 31 on the "Anti-War Conference." He said he personally had no moral objection to war, he believed in hitting the other man if assaulted—if he were smaller (laughter)—but what he objected to was the idea that, because he was bigger, he should be allowed to fight the smaller man. One of the things we had learned was the power of organized masses, and it was only by mass organization that war could be stopped. Every war was supposed to be defensive. Both Germany and Great Britain made that claim—the latter that it was in defence of poor little Belgium. Japan claimed she was fighting China in defence of her rights in Manchuria. Apart from that, an analysis showed that wars were fought for national honor or territorial expansion. The Press had as much power as any organization to foster wars. They told the people they were fighting for their country and their King, and the people, believing in the integrity of the Press, thought that it was true. In the old days, we had religious wars and punitive wars, but they were also supposed to be defensive wars. During the Great War he said the British had to punish the men for fraternizing with the enemy, such was the inability of the Press to reach the trenches.

Anti-War Meeting in Japan Starts a Near Riot

The Tokyo police kept a strict watch over a meeting of the Society for the Promotion of Peace in the Far East, held in the public hall at Hibiya Park, Aug. 25. The *Hochi* said the officials of the section strongly suspected the meeting was being held for the purpose of choosing Japanese representatives to the Shanghai Anti-War meeting—which would run counter to the Government's determination that Japan should not be represented there.

One of the speakers was Colonel Mizuno, who said that those who are opposed to the cause of eliminating war from the world are actually a menace to the best interests of Japan as well as to world peace. "I myself am a soldier," Colonel Mizuno continued. "But that fact does not prevent me from associating myself with a movement intended to bring peace to a suffering world. Those who work for peace are the real patriots. I will identify myself with any society which proposes to abolish war by legitimate means." Before he could finish the next sentence, according to the account in the *Japan Advertiser*, there arose a series of yells and howls and a group of young men, who asserted they represented an organization called the Association for Study of Measures to Meet the Situation Arising After the Year 1936, burst into the auditorium. They ran down the aisles flinging green handbills right and left and shouting "Down with the anti-war conference." Some rushed to the platform; a few, having reached a high pitch of enthusiasm, began punctuating their yells by knocking glass panes out of windows. The police went into action immediately, some guarding doors and windows so that the intruders couldn't escape and others grappling with and otherwise taking into custody the said intruders. Quiet was finally restored and the meeting adjourned.

Japanese Afraid There Will Be No More Wars?

(From the Japan Chronicle, Aug. 24)

The Japanese authorities seem to be terribly afraid that there will be no more wars. To be a delegate to the Anti-War Conference at Shanghai is to be strongly suspected of the most dreadful intentions. Lord Marley, Mr. Marteaux, A. H. Buckman, and Langston Hughes, who have all been deported within the past few days, all seem to have offended by intending to go to this conference. Yet, though size is not everything, the Anti-War Confence hardly seems to be of sufficient caliber to check the careers of the War Lords. According to our contemporaries, Mr. Buckman, though only 22, has lost his character entirely and irrecoverably. Not only is he going to the Shanghai Conference, but he is a friend of Langston Hughes, who has met Mrs. Sun Yat-sen. Could any more evidence be needed that he is a dangerous character?

Soviets See Danger of Imperialist War

A grave warning of the imminent danger of a new imperialist war was sounded August 1 by the Soviet press in connection with the nineteenth anniversary of the outbreak of the world war in 1914. At the same time the press outlined and emphasized the consistent struggle for the preservation of peace which has been and continues to be waged by Soviet Russia.

T. V. Soong Urges Greater Powers for Central Government

T. V. Soong proceeded to Nanking Sept. 2. The Central Political Council held a special meeting to hear a report from Mr. Soong on his work abroad and on his impressions of Europe. The $50,000,000 wheat and cotton loan was among the matters discussed.

T. V. Soong, Minister of Finance, Wang Ching-wei, president of the Executive Yuan, Dr. H. H. Kung, Governor of the Central Bank, Huang Fu, Chairman of the Peking Political Council, and Sun Fo and other prominent Chinese leaders, proceeded to Kuling during the week where they participated in a conference with General Chiang Kai-shek. The gunboat *Hai Yun* carrying Messrs. Wang Ching-wei, Wu Chih-hui and Chang Ching-kiang, respectively members of the Central Executive and Supervisory Committees; Admiral Chen Shao-kuan, Naval Minister; Messrs. Tseng Chung-ming and Tang Yu-jen, respectively Political Vice-Minister of Railways and Administrative Vice-Minister of Foreign Affairs, made the trip from Nanking to Kiukiang Sept. 4. T. V. Soong, accompanied by Messrs. Li Tiao-sheng and Tsou Lin, respectively Political and Administrative Vice-Ministers of Finance, made the trip on the gunboat *Chung Shan*.

It is understood that the following questions are being discussed at the conference: Allotmont of the American wheat and cotton loan; the extent of technical cooperation with the League of Nations; steps for utilizing the American wheat and cotton loan in the development of the national resources; determination of a definite foreign policy; and financial problems.

T. V. Soong Reports on Trip to Europe and U.S.A.

Reporting on his recent tour of America and Europe at a welcome reception giving by the civic organizations of Nanking Sept. 3, T. V. Soong, Minister of Finance, called attention to the paramount importance of mutual confidence between the people and the Government during the present national crisis. Mr. Soong began by referring to his visit to the United States, where he concluded the U.S. G$50 million Wheat and Cotton Loan. This Loan, he said, is to be used entirely for purposes of reconstruction. He recalled his joint statement with President Franklin Roosevelt on May 21, which dealt with the economic relations between China and the rest of the world. He was happy to say that as a result of his trip to the United States, the bonds of Sino-American friendship had been further strengthened. Representing China at the World Economic Conference in London, he said he signed the 9-Power Silver Agreement on behalf of the Chinese Government in accordance with the principles set forth in his joint statement with President Roosevelt. In order to assist China in reconstruction work, the Council of the League of Nations had further agreed to extend technical cooperation to the Chinese Government. Referring to his tour of the U.S.A., England, France, Italy and Germany, Mr. Soong said that the present day world situation is vastly different from that of 20 years ago when he first went abroad as a student. In all the countries he visited he noticed evidences of economic depression and distress. The world has been caught in the grip of an economic crisis, and no nation has been able to escape it, he said.

During his tour, he continued, he not only studied the conditions prevailing in the different American and European countries, but also noted the remedial measures adopted by the different Governments to cope with the situation as well as the attitudes of the people towards their governments. In Italy, Germany, as well as in Great Britain and the United States, the Governments are delegated with immense powers for grappling with the situation. This example the Chinese people and government should follow in overcoming the present crisis, Minister Soong urged.

T. V. Soong Approves German Steelworks Agreement

Final approval has been given by T. V. Soong, Minister of Finance, to the agreement for establishment of an iron and steel works factory in China with a capitalization of $40,000,000. The agreement has been reached between the Ministry of Industry of the National Government and the China branch of the Gutehoffnungshuette Works, a German firm. The factory will be situated at Ma An Shan in Honan province.

Distributing the U. S. Cotton and Wheat Loan

The *Hua Pei Jih Pao*, Peiping, comments:—"Since the right of disposing of the proceeds of the cotton and wheat loan belongs to China, the important question arises as to what is the best and most efficient way of employing the loan. According to information in our possession, only one shipment of American cotton is on its way to China from America, but a fight for a share of the proceeds of the loan seems to have already started. The South-west authorities have wired to the Central Government asking that a part of the money be alloted to Canton for the development of a harbor at Chungshan district and a port at Whampoa. The Fukien provincial authorities have asked for $1,000,000 to be used for the construction of motor roads in their province, while the teachers union of the Government Univesities in Peiping and Tientsin have suggested to the Ministry of Education that the Government set aside a definite sum from the loan to be employed for the improvement of educational institutions in the two northern cities. The latest claimant is the department of education of the Ninghsia Provincial Government, which is asking for $200,000 for the development of popular education in that far flung province. We are sure that there are numerous other organizations trying to get a share of the money. We maintain that, the proceeds of the loan should be used for those enterprises which have a special character, for example development of basic industries; rehabilitation of rural economy and development of communications and river conservancy. In other words, the loan should not be devoted to non-productive enterprises."

First Batch of American Cotton to Arrive Shortly

The first batch of American cotton under the U.S. $50.000,000 loan is expected to arrive here by the middle of September. The *China Times* says the cotton will be sold to the cotton mills here through Chinese Banks.

General Chiang Kai-shek recently telegraphed to General Han Fu-chu, Chairman of the Shantung Provincial Government, stating that the proceeds of the $50.000,-000 wheat and cotton loan cannot be used for the relief of flood sufferers in Shantung.

Huang Shih-chieh, deputy of the Nanking Municipal Government, has been investigating the causes of the stagnation in the native-grown wheat market along the northern section of the Tientsin-Pukow Railway, which has caused great suffering to the peasants.

Japan Tries to Thwart League Cooperation with China

Commenting editorially on recent reports that Japan is determined to adhere to her settled policy vis-a-vis her relations with China, the *Shun Pao* states that since the return of Minister T. V. Soong from his tour of America and Europe, Japan is on the one hand carefully watching the actions of the Chinese Government, and on the other she is watching the attitudes of the American and European States towards China. The aim of the Japanese Government is to dissipate every trace of co-operation between the League of Nations and the Chinese Government, to the end that China may be compelled to enter into direct negotiations with Japan and that the latter may thereby secure every advantage over the Chinese Government, this prominent Chinese paper states.

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66-075

Japanese Finance Minister Opposes Increased Taxation

The Japanese Minister of Finance, Takahashi, has recently frequently reiterated previous statements that in his opinion the present is no time for increasing taxes in the Island Empire. Advocates of higher taxation often urge the imposition of a higher tax on the munitions industry because it is doing good business at present, but it must be remembered, Mr. Takahashi said, that under the Taxation Law in force, the firms engaged in the manufacture of munitions are paying higher taxes in proportion to an increase in their profits. Higher dividends also subject the shareholders to higher taxation. With regard to the issue of new loans, Mr. Takahashi said, he heard the views of the Director of the Financial Bureau as well as the dispositions of the Bank of Japan, but his own policy is yet to be formed. In the issue of new bonds, special care must be taken he said, from the point of view of maintaining the credit of the State, to preclude the possibility of the market value of these bonds falling below the value of issue. Such a fall without any special circumstances to cause it, would mean an error in financial arrangement somewhere, he added.

Exchange Losses Necessitate Extra Appropriation

The Japanese Department of Finance expects to include an appropriation of approximately Yen 70,000,000 in its budget for the next fiscal year for covering the exchange difference in its overseas payments. Hit by the depreciation of the yen's value, the Government payments abroad have considerably mounted in recent years, so that is has had to make good the exchange difference by means of additional appropriations.

One of the most impotant agrarian problems with which Japan is confronted at present is the reduction of the farmers' tax burden. The two principal political parties, the Seiyukai and the Minseito, are agreed in demanding some comprehensive action by the Government in that direction.

The Department of Agriculture and Forestry sometime ago commissioned about 1 000 model village youths throughout the country to make extensive investigation into actual conditions of taxation in their districts. Their reports have since been received, and the Agricultural Department has now set them up into a table. This table is an epitome of gloom and despair, and lest it should stir public feelings, the authorities will not publish it. Generally speaking, the tax burden of farmers is incomparably higher than that of those in towns, and even in the same villages the farmers are called on to pay more than the merchants or industrialists. Another fact brought out was that, whereas the profit gained from the products is made the basis of taxation in towns, in the farming districts the tax is based on the means of cultivation and the portion actually consumed. This inconsistency the authorities are convinced necessitates a fundamental reform in the taxation system.

No Diplomatic Enquiry Bureau for the Present

According to the *Asahi*, the Foreign Office has practically given up the idea of establishing the Diplomatic Inquiry Bureau owing to the Privy Council's persistent opposition to the scope of the projected organ as too limited. The plan was worked out in detail by Count Uchida, the present Foreign Minister, and with the Cabinet's approval, it was laid before the Privy Council in October last year, but it was ruled that the Foreign Office's plan was not sufficiently large in scope.

A Determined Japanese Girl Communist

Retsu Kodomari, aged 23, the first woman organizer of the Japan Communist Party, swore to Procurator Katsuyama of the "thought" division of the Osaka District Procurators' Office in July 1931, that she would never join the communist movement again and that her idea was entirely wrong. She was then sent back to her father, a wealthy farmer. A half year later she became active again as an organizer in the Amagasaki zone of the radical party's Osaka cellular branch. She is being prosecuted by Procurator Katsuyama and the preliminary trial was completed recently. The public hearing is scheduled to be held shortly.

Procurator Kuriya of the Tokyo District Court Sept. 5, demanded four years' imprisonment against Miss Yoshiko Seki, 27-year-old sister of the noted proletarian singer Akiko Seki on the charge of her being involved in Communist activities.

Ujaku Akira, a Japanese writer who is reputedly radical in his sympathies, is being detained by the Tokyo police. He is 51 years old. He returned to Japan in 1928 after having stayed for a long time in Soviet Russia. At one time he was leader of the All-Japan Proletarian Writers Association.

According to the *Asahi*, the military authorities desire new clauses to be inserted in the Peace Preservation Law so that all acts of disseminating anti-army ideas may be properly controlled. The military authorities insist that acts deleterious to the existence of the army should be put under the purview of the Law. It is proposed that a new Article should be inserted under which such acts should be condignly dealt with, whether committed through the Press, in public utterances, on the screen, on the stage, or through broadcasting.

Differences have recently arisen between the Home Office and the Finance Department on the public engineering work expenditure for the next fiscal year. The Home Office claims Yen 109,000,000 under this head, but the Finance Department insists on ruthless reductions.

As the result of an interview between Japanese War Minister Araki and the Overseas Minister, Mr. Nagai, which took place in Tokyo Sept. 1 an agreement was reached with regard to the establishment of a Japan-Manchukuo economic bloc, aiming at industrial co-operation between the two countries.

The second shipment of Soviet gasoline totalling 9,000 tons arrived in Tokyo Sept. 2. Taxi drivers are favoring Soviet oil against the British Shell brand of British petrol. The competition between the English, American and Japanese oil interests is growing keener in Japan daily.

The Mexican Government has approached the Foreign Office through the Japanese Minister in Mexico City, with a request for revision of the Commercial Treaty of 1925, which grants Japanese nationals in Mexico the same treatment as that extended to Mexican subjects.

Brazilian officials at Rio de Janeiro characterized as absurd a Japanese report that an arrangement has been reached between the Brazilian Government and Japanese shipbuilders whereby the latter will build warships for Brazil and take partial payment in coffee. It is recalled that a similar rumor was spread about six months ago.

The Japanese Ambassador to Brazil, Mr. Hayashi reports that the Government of Brazil is inviting tenders for war vessels in six countries on the Continent, the United States of America and Japan.

Returns of Japanese foreign trade transacted through sixteen ports in Japan, for the letter part of August, as announced by the Finance Ministry are; Exports, Yen 71,573,009; Imports, Yen 49,840,000; Total, Yen 121,413,000; Excess of exports, Yen 21,737,000.

Japan Will Meet U.S. Challenge in Warship Construction

Following the report that the U.S. Secretary of Navy Claude A. Swanson has signed contracts for building 32 warships, the Japanese Naval Office Sept. 3 stated that Japan will be forced to build more warships before 1936 though she does not desire building competition because of the stringent financial situation. In case of war, a Japanese spokesman said, Japan can not fight with "Japanese spirit" alone, but needs warships.

A recent Tokyo message intimated that the Japanese War Office will demand from the Finance Ministry a huge sum as the expense for the Manchurian incident. Final decision with regard to the Ministry's demand will be referred to the Finance Ministry in the near future.

The British China Squadron, consisting of 18 war vessels, including the flagship *Kent* will shortly make a visit to Japan, making a round of calls on Kobe, Yokohama, Nagasaki and other ports.

Prince Tokugawa, for 30 years president of the Japanese House of Peers, declared in a radio speech following his arrival in San Francisco aboard the Japanese liner *Chichibu Maru* on a trip around the world:—"Friendship for America is implanted in our hearts and souls. We Japanese are looking forward with keen interest to the success of the stupendous efforts you are making. The success of your undertaking will, I am sure lead to the economic recovery of the whole world, which has been suffering so long from the ills of the depression. Japan, for one, cannot stand indifferent to your efforts for common prosperity, because of the interdependence of our modern international life."

The Prime Minister of Japan, Viscount Saito, had an interview with the War Minister, Lieutenant-General Araki, Aug. 29 following the regular Cabinet Council, and

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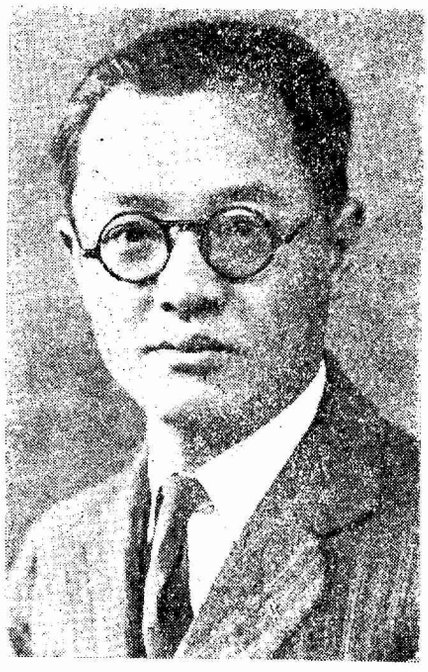
explained to him the contents of the Seiyukai's five-point policies submitted to the Government for consideration. General Araki in an interview said: "Though I am not thoroughly acquainted with the so-called five-point policies of the Seiyukai, there is ample reason to believe that the Seiyukai's policies will mark a new turn in the political situation. No one can deny the fact that something has to be done to meet the present emergency situation in which Japan finds herself in the present moment."

Head of Chinese Exhibitors at Chicago Delivers Radio Broadcast Lecture

Z. L. Chang, the head of the Chinese Exhibitors Association at the Century of Progress Exposition in Chicago, recently delivered a speech in the United States on a nation-wide hook-up describing China's participation in the Exposition. The Chinese exhibit drew large crowds. The center of attraction was the Jade Pagoda, a full description of which was given in the *China Weekly Review*, May 6. Two things occurred to somewhat dampen the enthusiasm of the Chinese exhibitors. One has been that the rate of exchange between silver and gold has fluctuated so as to adversely affect the finances of the enterprise, the other was that the Chinese were surprised to find that despite assurances to the contrary, the Exposition management allowed the Japanese to carry on propaganda on the Fair grounds. The most notable instances were lectures given by Garner Curran, on Manchukuo, delivered in the Hall of Science. Mr. Curran was formerly on the staff of the *Japan Advertiser* and more recently has been giving pro-Japanese lectures in Los Angeles.



Z. L. Chang, former Chinese Consul-General at New York and now head of the Chinese Exhibit at the Chicago Exposition.

Marshal Feng Yu-hsiang Leads Spartan Existence

Dressed in his usual coolie dress- cloth stockings and straw sandals, Marshal Feng Yu-hsiang received a representative of the Tientsin *Ta Kung Pao* at his mountain retreat on the top of Taishan Aug. 31. Marshal Feng's family is now staying with him at Taishan. The Marshal gets up early in the morning to write six pages of big Chinese characters and then he walks 6,000 steps around his house until he perspires. At 7 a.m. he spends an hour studying books on social science and in the afternoon he studies Chinese history. He has invited a teacher to improve his Chinese. Before dark he gives a lecture to his bodyguards and then retires at 9 p.m. "It is my policy to sleep early. It saves lamp oil and food," he told the *Ta Kung Pao* interviewer.

Typhoon Hits North China Coast—Little Damage Done

A typhoon which struck the north coast of China Saturday night and Sunday delayed many ships and flooded the streets and many cellars in the Central district of Shanghai. The principal damage reported was that a portion of the new Japanese barracks near Hongkew Park caved in.

Cable communication between Shanghai and Nagasaki, Chefoo and Hongkong was temporarily interrupted as a result of the typhoon.

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66-077

$4,000,000 for Yellow River Flood Relief

The Central Political Council Aug. 30 appointed T. V. Soong, the Finance Minister, Chairman of the Yellow River Flood Relief Commission. Other members include the Ministers and Vice-Ministers of the Interior, Railways, Communications and Finance, the Director of the National Health Administration, the Chairmen of the Yellow River Conservancy, National Economic and National Famine Relief Commissions, and the Commissioners of Reconstruction of Honan, Hopei, Shensi, Shansi, Shantung, Kiangsu and Anhwei provinces.

The National Government issued a Mandate Sept. 1 authorizing the appropriation of $4,000.000 for the urgent relief of the flood refugees along the Yellow River as well as the organization of the Yellow River Flood Relief Commission. The Executive Yuan will supervise the work of the Commission. The following have been specially appointed members: T. V. Soong, Huang Shao-hsiung, Chen Kung-po, Ku Meng-yu, Chu Chia-hua, Hsu Shih-ying, Li I-chih, J. Heng Liu, Kan Nai-kwang, Tsou Lin, Kuo Chun-tao, Tsien Tsung-tse, Yu Fei-peng, Wang Ying-yu, Chin Wen, Liu Ju-fan, Chao Shou-yu, Chang Ching-yu, Tien Chien-lung, Lin Cheng-hsiu, Chang Hung-lieh, Liu I-yen and Tung Hsiu-chia; with T. V. Soong serving concurrently as Chairman of the Commission.

Mr. Soong ordered a thorough investigation into the extent and damage of the flood and arranged for Dr. J. Heng Liu to take charge of the Commission during his absence at the Kuling conference.

The regulations governing the organization of the Commission submitted by T. V. Soong were adopted by the Executive Yuan Sept. 4.

In accordance with instructions from President Wang Ching-wei, the Shensi Provincial Government Committee at a meeting Sept. 4, decided to raise $300,000 immediately for the relief of the flood victims pending the remittance of relief funds from the Central Government. The sum will be obtained in the form of a loan from banking circles.

Yellow River Continues to Subside

The Yellow River commenced to fall end of last week. Belated reports from Shensi, however, indicated that a serious situation prevailed there as a result of the overflow of the Yellow River and other rivers. In Shantung the drop continues daily. At Lokow the water level area fell by 2.7 inches Sept. 1. At Tungchuang, in the Upper Valley of the River, the water dropped two inches. A fall of two inches was also reported from Tamachia, in the lower valley of the river. The breaks in the dykes at Yuwangkou, about 60 miles east of Tsinan, have been repaired.

The flood situation in Shantung has eased with the ebbing of the Yellow River at all points in the province. As a result of the strenuous efforts of the inhabitants, the breaches on the dykes at Huimin and Tsitung, in the lower reaches, have been repaired.

General Han Fu-chu, the Chairman of the Shantung Provincial Government, telegraphed to the Government Aug. 31 reporting a strious flood situation at Tungwu, eighty miles west of Tsinan, Feicheng, Wenshang and Chiahsiang, all in Western Shantung. General Han reported that the flood water at Tungwu was eight feet deep. General Han urged the Government to issue funds for the relief of the refugees at once.

When the Flood Was at Its Height

The Yellow River at Lanfang and Kaochen registered a rise of two feet during the night of Aug. 28.

Several hundred thousand flood refugees were marooned in the flood area at Hocheh, in Western Shantung. Representatives from Hochen arrived in Tsinan to appeal to the Shantung Provincial Government asking that relief measures be started at once.

It is estimated that the total area affected by the recent Yellow River flood in Southern Hopei covers at least 500,000 mow of land. In Shantung at least twenty districts were inundated by flood, covering an area of 2,200 square miles. The damage done is estimated at more than $100,000,000.

An official report from General Chu Shao-liang, Chairman of the Kansu Provincial Government, stated that as a result of torrential rains, the Yellow River in that province had risen over 4 feet. Reports of a rise of 400 feet were incorrect, he said.

In view of the continual rise of the Yellow River and the petition of the various Provincial Governments along the River for relief funds President Wang reported at a meeting of the Executive Yuan that urgent relief funds would be temporarily fixed at $2,000 000 to $3.000.000. Detailed measures for labor relief, engineering work on the River and raising of the funds required have to be jointly formulated by the Yellow River Conservancy Board and the National Economic Council, and submitted to the Yuan for approval and enforcement.

Fifty-one districts in the five provinces of Shensi, Honan, Shantung, Hopei and Kiangsu reported floods in their respective areas. Honan led with 22 districts, Shantung second with 19.

An increase of the Yellow River flood waters in western Shantung again aggravated the situation there end of last week. The Yellow River at Shenchow on the upper reaches in western Honan also reported a further rise.

Dykes on Coast Near Shanghai Are Damaged

As a result of the recent typhoon which swept over Shanghai the dykes along the sea-coast at Paoshan and Woosung were washed away by heavy waves. The Kiangsu Government appropriated $30.000 for urgent repair work. The *Sin Wen Pao* in an editorial pointed out the danger of ignoring repair of dykes. Instead the government had raised funds for the construction of beautiful government buildings. If it could only divert the funds thus used to flood prevention work the result would be different and hundreds of thousands of people would be benefitted, this prominent Shanghai Chinese journal commented.

In a report to the General Relief Committee on the flood situation in northern Kiangsu, General Ku Chu-tung, Chairman of the Kiangsu Provincial Government, reported that the areas which had suffered most were Fenghsien and Tung-hsien, in northwestern Kiangsu.

Referring to the Kuling conference, the *Central China Daily News* Nanking expressed the hope that the government leaders will be able to see their way to allow part of the proceeds of the U.S. $50 million wheat and cotton loan for relief of flood victims in the Yellow River Valley. The paper suggested that the money need not be given away in the form of free relief, but may be employed for repairing the damaged dykes and constructing new highways with "refugee labor;" in this way, not only will the plight of the flood victims be alleviated, but real reconstruction work may also be achieved.

Japanese and British Delegates Converge on Simla

The Japanese community in Bombay is making preparations to entertain the Japanese delegates to the forthcoming Simla negotiatians. The Association of Cotton Industrials in Bombay will also hold a general meeting following the arrival of the British delegation in order to decide on the attitude of the British and Indian authorities towards the Simla parleys. The British representatives to the conference are expected to arrive in Bombay on September 14, and the Japanese delegates on September 15.

B. E. J. Burge, district magistrate at Midnapore, near Calcutta, was assassinated by three Bengalees Sept. 3. One of his assailants was killed and another seriously wounded, while the third was arrested.

Indian Exiles in Japan Conduct Anti-British Campaign

There has of late been a recrudescence of the anti-British campaign engaged in by Indian exiles in Japan. They have just added three English publications, to their campaign of lecture tours, pamphlets (heretofore almost always in Japanese) and magazine articles. "The New Asia," one of the three publications edited by Rash Behari, in its August issue refers to that "worst of miseries which is oppression that covers itself with legal forms." It is asserted that Britain is guilty of deliberate falsehood in "telling the world that Britain and India have agreed on a Constitution shortly to be placed on the statute books." It is also bluntly stated that India, despite outward appearances, has never been represented at Geneva or in any international or Empire conference.

66-078

Cantonese Continue Opposition to Nanking Government

Chen Chi-tang, Li Tsung-jen and Tsai Ting-kai, in a joint telegram addressed to Chiang Kai-shek and Wang Ching-wei, under date of September 2, expressed their opposition to important national policies reportedly decided by the Nanking Government. In expressing opposition to the Fifth National Party Congress, they demanded postponement of the date of its convocation. Regarding the use of the American cotton and wheat loan, they demanded the creation of a special Government Committee, composed of representatives of various provinces, to supervise the use of the loan. The Canton Militarists also demanded the publication of the whole contents of the Tangku Armistice.

Teng Cheh-ju, a member of the South-west Political Council, returned to Canton last week from Hongkong, after exchanging views with Hu Han-min and other veteran leaders of the Kuomintang concerning the political situation. There does not seem to be any unanimity of sentiment among the various leaders in Canton concerning the question of calling a separate Fifth National Congress of the Kuomintang at Canton. It is persistently reported that Hu Han-min and other leaders insist on having a separate conference held in the South because they want to be re-elected.

Generals Chen Chi-tang, Li Tsung-jen and Tsai Ting-kai issued a joint telegram Sept. 3 expressing strong opposition to the suggestion of holding a separate Kuomintang congress at Canton.

Yang Yung-tai, Chief Secretary to General Chiang Kai-shek, is being mentioned as the new Chairman of the Kiangsu Provincial Government. General Ku Chu-tung, the present Chairman, was in Kuling during the week conferring with General Chiang.

Military training will be given to 15,000 able-bodied men picked from among citizens employed in Hsiakwan, according to information from the Inspectorate-General of Military Training at Nanking.

Regulations supplementary to the conscription law are being formulated by the Ministry of War and the General Staff. It is learned that the military authorities are in favor of a gradual enforcement of the conscript system.

Chinese Journal Discusses National Conscription Law

Commenting on the reports that the Government has decided to enforce the Conscription Law in certain experimental areas in the provinces, the *Sin Wen Pao*, in an editorial Sept. 4, stated that though called Conscription, the system provided by the law is really one of recruitment. According to the National Conscription Law, the journal continues, the Chinese military system is divided into two classifications, namely. (1) Citizens' Army, and (2) Standing Army. The latter, it should be noted, is formed on the basis of individual qualifications, age limitations, and personal choice. In other words, the members of the Standing Army are recruited from among the people who are able to meet these requirements.

Referring to the reports that the Government has decided to demarcate certain provinces for the experiment in conscription, the *Sin Wen Pao* also commented that for years past the majority of soldiers have been recruited from the provinces of Hopei, Shantung, Honan, and Anhwei. The result has been that most of the able-bodied men in these provinces now look to enlistment in the army as a means of livelihood, and the journal suggests that the Government should leave out the above-mentioned provinces in the new scheme.

Wang Ching-wei Points Out Dangers of China's Adverse Trade Balance

In the course of an address at the weekly Sun Yat-sen memorial service of the National Government last week Wang Ching-wei dwelt upon the seriousness of the situation created by China's mounting adverse balance of trade. He showed that since 1928 there had been a growing increase of imports into China as compared with exports, and that for the first seven months of 1932 the excess of imports over exports amounted to $389,578,602. Mr. Wang further said that if this state of affairs continued, the adverse trade balance at the end of the year would easily reach the staggering figure of $600,000,000. Mr. Wang made an appeal to the public to devise ways and means to deal with this serious economic phenomenon, which is in his opinion more serious than the national crisis.

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Owing to the Japanese occupation of Manchuria, tickets are only sold to Shanhaikwan where the Peping-Liaoning Railway crosses the Great Wall. The Chinese Government Railways assume no responsibility for transportation or safety of passengers beyond Shanhaikwan.

Peping-Liaoning Railway

Head Office

TIENTSIN

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No. 2

66-079

Who's Who in China

Gen. Feng Peng-chu, Army Commander; born at Yenmen, Shansi, 1884; descended from a family historically distinguished for public services; became a member of Kuomintang when a youth; attended the Taiyuan Military School in the closing years of the Ching (Manchu) Dynasty and later the Peking Military Academy; upon the outbreak of the Revolution in 1911, he hurriedly left Peking for Shansi and took part in the revolutionary uprising against Manchu troops in his native province, for which service, he was appointed a company commander in Shansi Revolutionary Army; after the overthrow of the Manchu Regime, he returned to the Peking Military Academy and because of his excellent record, was sent to the Paoting Military Officers' College for advanced training, from which he was graduat ed; following graduation, he again entered the army service and was successively appointed as company commander, battalion commander, staff officer, adjutant officer, teacher and other posts; in 1922, he was entrusted by the Shansi Provincial Government to train up a new army at the famous Wutai Mountains in Shansi; when a civil war broke out in the Yenmen district, he assumed the command of a regiment and with a force of 6 battalions, successfuly held out against the enemy for more than half a year; for this service, he was promoted commander of an artillery regiment with the rank of Lt.-General; in 1927, when the Shansi Army joined the Northern Expeditionary Forces, he served as commander of the artillery corps of the Left Wing Army of the Shansi Force and successively captured Kalgan and Hsuanhua from the Fengtien troops of the late Marshal Chang Tso-lin; in the following year, he pushed the advance of his army eastward and captured Paoting and Peking; in recognition of this high service, he was appointed commander of an artillery brigade with the rank of Major-General and soon promoted Commander of 42nd Division in charge of the garrison of Peiping; during the Civil War in 1931 (against Nanking), he was promoted Commander of the 9th Army and fought many battles in Honan and Shantung to his credit; in 1931, his Army was reorganised as the 4th Division and later as the 67th Division of which he remained as Commander; in 1933, when the Headquarters of the Pacification Commissioner of Shansi was organized, he was appointed by Gen. Yen Hsi-shan, Director of the Headquarters, as Chief of the Adjutants' Office of the Headquarters which position he now retains; author of "Notes on Army Administration" and "Maxims for Military Men;" address:. Headquarters, Pacification Commissioner for Shansi, Taiyuan, Shansi.

馮鵬翥字運青

Gen. Feng Peng-chu (Feng Yun-ching)

馮鵬翥字運青，別號天矯，其家爲雁門望族，嘗遜清季世，肄業太原陸軍小學，已爲國民黨員。民國元年，聞晉軍義師興，由北京陸軍中學，間道歸晉，參戰役；以功見授第肆標二營六隊隊長。俟國事悄定，復回校理舊業；以卓異，保送保定軍官學校。期滿卒業，歷充連營隊長，參謀副官，軍務幫辦，師範學校教員，村範委員等職。十一年，練兵五台，成績卓著；會雁北戰興，任團長率師六營，防守朔北神池甯武偏關河曲五縣，閱時半載，敵未獲越雷池一步。旋調充砲兵團長，秩比少將。十六年，晉軍北伐，任左路砲兵司令，取張垣，拔宣化，翌年，復出師；間關東進，略保定，定幽燕，厥功尤著。初除砲兵旅長，秩比中將；尋升任第四十二師師長，衞戍北平。十九年，中原之役，復升第九軍軍長，二十年，所部改編爲第四師，又改稱六十七師，還師長。今年，晉綏綏靖公署組織既就，奉主任閻錫山令，調任公署副官長。著有治軍語錄軍人格言等書，均刊行閒世。

66-080

Will Inflation in America Continue?

Mark Sullivan writes in the New York *Herald Tribune* that the devaluation of the U.S. dollar is merely postponed. Inflationists threaten to take action when Congress reassembles unless President Roosevelt acts in the meantime. Moscow *Izvestia* recently said: "The realization of the large scale inflation plan in the U.S.A. is being accelerated by the sad results of the recent "boom.'"

A recent New York message stated that American business men, including many exporters who converted their dollar holdings into foreign exchanges when the United States abandoned gold, are now in the position of having to bid for the dollar in foreign markets in order to return the money to the United States.

President Roosevelt has completed the personnel of his new banking commission that will administer the national fund guaranteeing the safety of fund deposited in banks that are licensed and members of the Federal Reserve system.

General Hugh Johnson, administrator of the Recovery Act, in a speech at the Chicago Exposition Sept. 4 said that the United States will be out of the depression before "the snow flies" if the people cooperate with the Government and industry and buy generously.

Recognition of Soviet Russia Draws Nearer

Increasing pressure is being brought by U. S. commercial circles to induce President Roosevelt to recognize Soviet Russia.

Harold Ickes, Secretary of Interior acting as Federal oil administrator has ordered a sharp curtailment in production as of Sept. 8.

Henry Ford, believing that the code for the automobile industry puts the country's motor enterprises into the hands of the leaders of the workers, is opposing President Roosevelt's code. The Ford works at Edgewater, New Jersey, are protected by special guards, following two attempts by radicals to bomb them.

An open split within the National Recovery Administration over labor was revealed last week by the resignation of three members of the executive, including Mr. Cates, General Hugh Johnson's deputy. Mr. Cates favors the creation of vertical unions under Government sanction.

Child labor has been largely abolished in the United States in connection with the various reforms initiated in connection with the National Recovery movement.

Norman Davis, who has sometimes been described as President Roosevelt's "Ambassador to Europe," arrived in London from New York during the week. He will later go to Geneva for the resumption of the discussions on disarmament. He states that he will not discuss war debts or other economic questions. America has, however, abandoned the policy of making war debt concessions conditional upon the disarmament of the European Powers.

President's Appeal for Credits Worries Bankers

President Roosevelt is reported to be very satisfied with his achievements but his appeal to the American Bankers Association to grant credits to enable industry to pay the increased costs under the new codes has caused consternation. F. H. Sisson, President of the Association, has declares that the Administration's attempt to establish an alibi for its failure by blaming the banks could only end in exposure and discredit. Latest developments in the United States include the creation of a technical board to aid the Federal Oil Administration, the decision of the Farm Administration to assist tobacco growers by levying a four-cent per pound processing tax to compensate the decrease in production, and the decision of five cotton States to reduce their cotton crop for the next two years, both in acreage and bales ginned.

Fourteen persons were killed and 20 injured in Binghampton, New York Sept. 6 when a heavy freight train crashed into the famous New York-Chicago "flier."

A hurricane which struck the southern part of the United States and Cuba during the early part of the week killed 32 persons and injured 1500 in Texas. Communications are interrupted, and full details are so far unavailable. The property damage amounts to many millions. The population of the devastated regions experiences lack of foodstuffs and an epidemic is feared.

The "Blue Eagle" Emblem of U. S. Economic Recovery

Herewith is reproduced the famous "Blue Eagle' emblem which has become as familiar in the United States in recent months as the Hitler swastika is in Germany and other national insignia. The Blue Eagle emblem, printed in blue on white paper, is granted to retail stores and industrial establishments throughout the country which agree to abide by the regulations of the National Recovery Administration "N. R. A." which is presided over by Gen. Hugh S. Johnson in Washington. The emblem represents the American eagle holding several bolts of lightning or electricity in one claw and a cog-wheel in the other with the letters "N. R. A." and "U. S." Firms which have agreed to abide by the regulations of the National Recovery Administration are entitled to display the emblem in their places of business, on parcels containing their product and in their advertising. In cases where evidence shows that the firm has violated the regulations, the emblem is withdrawn and the firm publicly censured. The plan provides for codes covering the principal industries, such as steel, automobiles, rubber, and so on. The details vary with the industry. Hours of labor and rates of wages are set by the government. One of the results has been the practical elimination of child labor, particularly in the mines of Pennsylvania and the cotton mills of the south.

Ministry of Finance Raising Loan from Chinese Banks

The Ministry of Finance is negotiating with eight local Chinese banks for a $10,000,000 short term loan, according to reliable Chinese sources. The money will be used for rehabilitating the flooded areas along the Yellow River and will be redeemable after one year and a half, using Customs revenue as security. If an agreement is reached, the loan will be advanced by the Bank of China, Central Bank of China, Bank of Communications, Yen Yih Banking Corporation, Kin Cheng Banking Corporation, South-Sea Bank of China, Salt Industry Bank, and Continental Bank. Each of these banks will advance money to the Ministry to the amount of from $500,000 to $1,000,000.

It was rumored also that Yun Chun-chin, China's flour king, had negotiated with Central Bank of China for a loan of $5,000,000 for aiding the Chinese cotton industry which is said to be almost bankrupt. Mr. Yun is one of the chief cotton merchants in China. The loan may be consummated soon after Dr. H. H. Kung, Governor of the Bank, has returned to Shanghai from Kuling.

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Men and Events

Direct radio service between China and London is hoped to be inaugurated by the end of October.

Mr. and Mrs. J. Lossing Buck are expected to return to Shanghai October 2 and proceed to Nanking.

Sir John Brenan, the British Consul-General, is expected to return to duty in the middle of December.

Sir Frederick Maze returned to Shanghai last week from an inspection tour in North China.

Dr. and Mrs. L. C. Hylbert of the Baptist mission have returned to Shanghai from a vacation at Mokanshan.

Tadashi Kurihara, new Japanese Consul General at Tientsin, took up the duties of his office Sept. 1.

Dr. W. B. Pettus, director of the School of Chinese Studies at Peiping is in Shanghai on a business trip.

Seventy destitute Chinese in Osaka are to be repatriated to China at the Chinese Government's expense.

Eighty-three Chinese refugees arrived in Shanghai Sept. 2 from Mexico on board the Dollar liner *President Hoover*.

Major Arthur Bassett of the British-American Tobacco Company departed this week on a business trip to Manchuria.

By order of the Ministry of Finance the Customs surtax, which expired on August 1, has been extended for another eleven months beginning from August 1.

Five sailors were killed in an explosion on the English freighter, *Athel Queen*, on the night of Aug. 30 a few hours after the vessel left Yokohama for Manila.

The trial of the five foreigners involved in the piracy of the s.s. *Sheng An* early in July will be held in Port Arther some time during this month.

General Ma Chan-shan, the hero of the Nonni River battle, has decided to take up his permanent residence in Shanghai.

The National Central University opened for its autumn semester at Nanking Sept. 1. A total of 232 new students attended.

The Canton Authorities have issued a proclamation prohibiting Chinese fishing junks proceeding to the South Sea Islands from hoisting foreign flags.

Dr. Rajchman, League of Nations' technical adviser to the Chinese Government is scheduled to sail from Naples for China on September 10.

J. Kleffel, vice-president and general secretary of the American Oriental Banking Corporation, has returned from a vacation in Japan.

The annual meeting of the Chinese Engineering Society was held in the Wuchang National University Hankow, Aug. 29, in the presence of more than 100 members and guests.

The Soviet Government will establish a Consulate-General in Nanking in the near future. The Soviet Ambassador is reported to have already informed the Chinese authorities to this effect.

Toshio Shiratori has been appointed Japanese Minister to Sweden. He held an important post as chief press official of the Foreign Office all throughout the period of the Sino-Japanese dispute.

Dr. H. H. Love, Adviser to the Ministry of Industry, who has been inspecting conditions in Shensi, has recommended the establishment of an agricultural farm along the Wei River.

Arthur Fischer, director of the bureau of forestry has been made honorary adviser of the council working for the development of the extensive natural resources of Kwangsi province.

Egbert Hayes, formerly student secretary of the Shanghai Y.M.C.A., accompanied by his wife, has arrived in Peiping to assume his new duties as Secretary for Religious and Social Work at Peiping Union Medical College.

The Rev. and Mrs. George R. Snyder of the mission of the Reformed Church, stationed at Shenchow, Honan Province, have returned to China from leave of absence spent in the United States.

Lim Cheng Ean, representative of Penang in the Legislative Council of the Straits Settlements, is reported to be opposed by a large number of the domiciled Chinese of Malaya regarding his proposal to request the Government to enact an ordinance for the reform of Chinese marriage ceremonies.

King-chaw Mui, Chinese consul in Honolulu, contributed an article to the *Honolulu Advertiser* recently in which he stated that modern China shows little actual disorder or racial feeling.

Governor James Rolph of California has commuted to life imprisonment the death sentence of Jiro Kawamoto, a Tulare County farmer, sentenced to be hanged for the murder of Mrs. Tomo Mukai in 1932.

John Wong-Quincey, chairman of the department of western languages at Tsing Hua University, is due to sail for Europe on September 12 where he will spend one year furlough. During his absence Dr. Wu Min will act as chairman of the department.

Frank W. Hadley, American attorney at law, has resumed practice at 29 Yuen Ming Yuen Road. He was formerly an assessor at the old Mixed Court. He has been residing in California for the past several years.

The newly constructed Chinese naval vessels, *Hsienning*, *Minchuan*, *Yungshui*, *Kiangnin*, *Hainin*, *Wunin*, *Suinin* and *Minshen* took part in maneuvers outside Woosung Aug. 30 under the command of Admiral Chen Hsun-yun.

A Spanish citizen named Gandarillas who was arrested on board the Dollar liner *President Harding* at Southampton for an attempt at smuggling 140 lbs. of opium, was sentenced to a fine of £250 and to 12 months imprisonment Sept. 1.

The Executive Yuan has instructed the Ministries of War and Interior to circularize all grades of army organisations and local governments enjoining them to extend full protection to newspapermen and newspaper enterprises.

A serious earthquake occurred in the Chengtu district on the afternoon of August 25. The shock continued for two minutes, during which many buildings collapsed. In Chengtu city alone more than a hundred persons were killed and injured by falling houses and walls.

Li Shan-tang, former President of the Chiaotso Mining College, Honan, has been appointed business manager of the National Central University in succession to Chang Chung-lu, who has been invited by the Honan Provincial Government to serve as President of the Honan University.

The Japan Chronicle says the Japan Air Transport Company proposes to put some fifty-seater planes on the Fusan service. It is stated that either they will have to have blinds to the windows or must carry guards to see that the passengers do not look at the fortifications on the way.

V. D. Shen, formerly connected with the Harbin and Dairen offices of the Chinese-Eastern Railway, recently arrived in Shanghai and is now connected with the Black Sea and Baltic General Insurance Company, Ltd., which has opened an office here. Mr. and Mrs. Shen are residing on Kiaochow Road.

Robert G. Sproul was recently elected chairman of the board of overseers of the California College in China, Inc. Dr. Robert E. Swain of Stanford University succeeds Dr. David P. Barrows as president of the board of trustees.

The ashes of Dr. Frederick Starr, the anthropologist who died recently at St. Luke's Hospital, Tokyo, will be buried at the foot of Mount Fuji. This is being done with the consent of a younger sister, Lucy H. Starr, residing in the United States.

Charging that her former husband, John Richard Geary, of Tokyo, took $512,500 in cash and $216,000 in security belonging to her and refuses to account to her, Mrs. Camille MacCullum Geary brought a suit against him to recover the securities in Jersey City, N. J., Aug. 24.

Dr. Arthur Young, adviser to the National Finance Ministry, returned to Shanghai last week with T. V. Soong, Finance Minister. Dr. Young did not make the trip to Europe with Minister Soong, but remained in the United States where he assisted in arranging the details pertaining to the American cotton and wheat loan.

The Examination Committee of the accounts of the contributed funds for the Chinese Volunteers in Manchuria reports that up to the present only about two million dollars of the contributed furds have been accounted for, while the total sum contributed amounted to twenty million dollars.

66-082

Lin Shen, Chairman of the National Government, arrived in Shanghai from Nanking Sept. 5 to see his physician. He returned to Nanking several days later.

The Ministry of Industry has decided to call a National Production Conference in Shanghai in the near future to regulate production throughout the country.

Customs agents in Constantinople on Sept. 5 raided a drug factory and seized 850 kilograms of hashish. Several dealers in narcotics were arrested.

A group of twenty prominent Chinese stock exchange brokers are planning to organize a new stock exchange in Shanghai to transact both gold bar and share business.

East, a news magazine after the model of *Time*, commenced publication Sept. 4 in Shanghai. Editor: J. A. Coughlin; publishers, *Shanghai Evening Post and Mercury*.

Dr. Hu Shih, Chinese philosopher and scholar, who proceeded to America last June, will sail on his return to China September 14. He is due to arrive in Peiping about the middle of October.

Ku Meng-yu, Minister of Railways, proceeded to Peiping during the week to negotiate with the bankers in that city for a loan of $7,000,000 for badly needed repair-work on the Peiping-Suiyuan Railway.

Japanese trade in Hankow is stated to be picking up despite the activities of the anti-Japanese organizations and the rekindling of anti-Japanese boycott in Tientsin and that neighborhood.

General Huang Mo-sung September 6 assumed office as acting president of the Nanking Military Academy during the absence of General Yang Chien, who has been ordered to proceed to Europe on a tour of investigation.

For the purpose of developing China's tea trade with Soviet Russia, the Ministry of Industry has ordered Chinese banks in Shanghai and elsewhere to extend credit to Chinese tea merchants engaged in export trade with Soviet Russia.

Stirling Fessenden, Secretary General of the Shanghai Municipal Council, called on O. K. Yui of the Municipal Government of Greater Shanghai Sept. 5 when views were again exchanged on the question of the control of factories in the International Settlement.

M. Bogomoloff, the Soviet Ambassador to China proceeded to Nanking during the week. As President Wang Ching-wei had left the Capital to participate in the Kuling conference, he was received by Hsu Mo, Political Vice-Minister of Foreign Affairs.

A Shanghai despatch in Japanese newspapers notes the fact that the Kiangsu-Chekiang Fishing Industry Administration has placed an order for four new gunboats with a foreign dockyard. The four new gunboats will be used for chasing pirates along the coast of Kiangsu and Chekiang. They are to be ready by the end of the year.

Sir Arthur Salter, a member of the British Economic Advisory Council, has accepted the invitation of the Chinese Government to visit China and to advise on economic problems. He is expected to leave early in October. He was Director of the Economic and Finance Section of the League of Nations from 1922 to 1930.

A Japanese importer was fined in Panama Aug. 28 the maximum penalty on a charge of attempting to evade payment of import duties on goods entering the Republic of Panama. The fine was fixed at $8,127 after investigation which disclosed that seven recent large shipments were greatly undervalued when declared.

George Danko, Austrian born American sailor, a water tender on the U. S. S. *Smith Thompson* stationed at Tsingtao, suddenly left his post several days ago when he heard that his wife a Russian, living in Shanghai, was unfaithful to him. He suddenly invaded the premises where she was living in the French Concession Sept. 5 and stabbed her. She is in a dangerous condition in hospital. He is being held in Amoy road jail by the U. S. authorities.

Foodstuffs and textiles together accounted for nearly half of the total imports into China during May, as revealed by Customs statistics recently published. The total value of China's overseas trade during the month was $203,239,098, of which $151,732,445 represents imports and $51,506,653 exports, leaving an unfavorable balance of trade of more than $100,000,000. Principal suppliers to China's needs in the order of total value, were the United States, Japan, Great Britain, Australia, Germany, Netherlands East Indies, Siam and Canada. America is far out in the lead, with a total almost double that of the second country, Japan.

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"THE CREATION OF A NEW RELIGION"

The pamphlet contains in its 10 pages a complete exposition and analysis of Shintoism and Empire-worship, regarding which the world is now beginning to hear so much along with the so-called doctrines of Pan-Asianism and Asiatic Monroe Doctrine.
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New Books of Interest in the Far East

Foreign Investments and China's Economic Position

Foreign Investments in China. By C. F. Remer. 708 pp. U.S. $5.00. The Macmillan Company, New York. 1933.

This splendid work of scholarship is invaluable to all who either wish to acquaint themselves with China's actual sitation in the economic world today, or desire to study the investments of particular countries in China. It is of vital importance not only to the person particularly interested in foreign investments here, but to everyone interested in China's economic and financial position in general. Many time-honored errors, based mainly upon limited knowledge, preconceived ideas or prejudices foreign and Chinese, or unjustified application to China of principles applying to some other countries, are shown in their true light by this book. It may be said without qualification that the study is the most valuable ever made in its special sphere, and deserves the fullest attention of economists, business men, and statesmen, particularly in China itself. Especially does this apply to the author's study of China's balance of international payments, showing beyond all doubt that China as a whole (excluding only Manchuria, which has now in fact been cut off from China by Japanese military occupation) is a creditor country, with a regular income greater than its outpayments.

Most of the study, indeed, was made before the Japanese occupation of the four northeastern provinces, which of course makes necessary some revision as regards the international balance. As regards the occupation itself, and the conflict at Shanghai, the most important bearing Remer's work has upon it is in connection with Japanese investments, of which there is an excellent and thorough study, as well as Russian investments, also carefully and thoroughly treated. The confused financial history of the Chinese Eastern Railway, now the subject of negotiation, is set forth with quite unusual clarity.

C. F. Remer, whose many years of residence and study in China (testified to by his books on The Foreign Trade of China and Readings in Economics for China, as well as many lesser studies) eminently qualify him for the present work, has of course not worked alone on a task of such magnitude. The investigation was begun in Oct. 1928, nearly five years ago, with an advisory committee from the highly competent Brookings Institution, and was carried on in China under the charge of D. K. Lieu, most eminent of Chinese statisticians. Direct investigations were also made in the main investing countries, particularly Great Britain, Japan, and the United States, as well as Russia, France, and Germany. The Institute of Pacific Relations, the Royal Institute of International Affairs (British), League of Nations officials, and other bodies co-operated, as well as many hundreds if not thousands of leading business men, bankers, statesmen and economists over a good bit of the world.

The book is divided into two parts. The second and longer section consists of studies of individual nations' investments in China, with chapters on American, British, Japanese, Russian, French, and German investments, and a final chapter covering Belgian, Dutch, Italian and Scandinavian. The first section of the book consists of analysis and interpretation, and is Remer's own particular work for which he takes full responsibility. It deals with foreign investments and China's international economic and financial position.

After an introduction, the author reviews briefly and well China's population and resources, describes traditional China and its banking, finance, and economics, and goes on to modern economic relations, dealing first with the early trade and tracing its development down to recent years. A "general picture of foreign investments in China" follows, then a "survey of business investments," a chapter on "the significance of business investments," and one on "the foreign obligations of the Chinese Government."

The following chapters of this section are concerned with China's balance of international payments: "Foreign Investments and the Balance of Payments;" "Remittances from Chinese Overseas;" "Trade and Specie Movements;" "The Chinese Balance of Payments" by periods; "The International Economic Position of China;" and "Conclusion."

Remer makes it clear that on the capital invested in China by foreigners, outpayments have greatly exceeded inpayments. Far more has been paid out from China upon foreign business investments than has come into the country. From 1902 to 1913 the average annual inpayment into China for foreign business investment was, reckoned in Chinese currency, some $52,800,000, while remittances from China on business investment averaged $69,300,000 yearly. From 1914 to 1930 the inpayment averaged $73,600,000 yearly, and the outpayment $138,800,000,—almost twice the income.

As regards Government obligations the situation is similar, though the magnitude is considerably less. The amount the Government obtained from foreign loans, etc., from 1902 to 1913 averaged in Chinese currency $61,000,000 yearly (greater than business investments in the same period), while it paid out an average of $89,200,000. After the Revolution its income from this source dropped greatly, to an average of $23,800,000 yearly, but its outpayments dropped only to $70,900,000 yearly. The heaviest obligations of the Chinese Government have been indemnities levied upon China by foreign powers (particularly the Japanese war indemnity and the Boxer indemnity,) constituting "a burden upon an economic organization with no direct help toward the bearing of the burden. A large part of the Chinese government debt has at all times been of this sort. In other words, the Chinese Government has been an indemnity paying institution rather than a capital importing institution."

These figures show, indeed, a sad picture. Truly it would appear that poverty-stricken China has been still further impoverished by her Western contacts, in fulfilment of the old dictum that "from him that hath not shall be taken away even that which he hath." But how, under such circumstances, has China for more than half a century imported more goods than she has exported,—and more money as well? Trade figures leave no doubt whatsoever that China has continually received more goods than she has sent way. Not only this, but she has received more money also. Actual movements of specie and the precious metals show that the alleged "draining of money from the country to pay for the excess imports" is (except for brief periods such as the first half of the present year) wholly mythical. For the period 1902 to 1913 the average net import of silver yearly was $2,413,000 Chinese currency, plus slight net imports of gold as well. For the period 1914 to 1930 the average net silver import was no less than $62,896,000 yearly, against which is an average net gold export of some $8,306,000, due mainly to the sales of gold in recent years when its price (in terms of silver) has been unusually high. By what process has China, in spite of foreign economic exploitation and foreign indemnities, been able to maintain a steady inflow of both goods and money, showing beyond any shadow of doubt an increase instead of decrease in her national wealth?

The major feature in the situation is, quite clearly, the remittances from Chinese overseas, averaging some $150,000,000 yearly for the period 1902 to 1913 and $200,000,000 yearly for 1914-1931. Most of this income is undoubtedly from business investments. For the largest part is from the United States, where the Chinese remitters are mostly shopkeepers, restaurant men, or other business men; they are, indeed, business men wherever they have the opportunity, whether in the South Seas, the Philippines, or elsewhere. A certain amount of remittances—perhaps as much as one-third—is from Chinese laborers and other wage-earners, but most of it is from business investments. China, "land of famine," is in sober fact an investing country, whose income from her overseas nationals is not only far greater than her outpayments on foreign business investments in China, but is also sufficient to cover the indemnities extorted from her Government by foreign Powers.

Other items, of course, enter into China's balance of payments. There are, for example, the expenditures in China by foreign military and naval establishments and by diplomatic and consular services. It is a most interesting commentary upon the kind of reasoning which dominates Imperialist countries that their expenditures upon the diplomatic and consular, and military and naval services in China, are far greater than the net total brought in to their nationals from investments in China,

plus Chinese payments on Government obligations. It is easier to see what has brought the capitalist world to its present impasse when one realizes that Governments spent at least $170,000,000 in China in 1928 to look after and "protect" business interests with a net income of $83,000,000, and to collect some $63,000,000 from the Chinese Government. The problem is not why capitalist governments are facing bankruptcy, but how they can be facing anything else with financing upon such a basis. (Though the overseas investor and business man, of course, contributes little to the maintenance of the military and naval forces, which are supported by the ordinary taxpayers in the home countries.)

The inpayments from overseas Chinese, and from foreigners not only through military, naval, diplomatic and consular expenditures but also through mission remittance and the tourist trade, tell most of the story of why China can continue, year after year, to take in a surplus of both goods and money. This surplus, however, is undoubtedly much less than is shown by the Chinese Customs statistics. To question these Customs figures, indeed, is a bold move, as these have been regarded by many as sacrosanct, and the final determinant not only of the commercial situation but of commercial policy. But what is to be said when it is discovered that the United States Customs figures show imports from China (as in 1930) of G.$104,300,000, equal to Chinese $339,000,000, while the Chinese Maritime figures on exports from China to the United States show only $197,800,000? The American figures are actually 72 per cent higher than the Chinese. And this extraordinary difference in valuation is shown not only in comparison with American figures, but also by comparing with Japanese, British, and other figures, though the percentage of difference varies. Something is radically wrong with some Customs system somewhere, and all the evidence indicates that it is the Chinese system which is wrong. From 1926 to 1930, indeed, Chinese exports exceeded imports, according to the statistics of the various foreign customs. The main point seems to be that the Chinese Maritime Customs, during the recent period of falling silver and rapidly rising prices, failed to increase their recorded values on exports proportionately. But though this may be the main cause of the enormous discrepancies of recent years, there are other reasons as well. Remer's personal investigations at Tsingtao, Swatow, Tientsin, and elsewhere showed in each port firms which exported more goods than the *sum total* reported by the Customs at those points. A further investigation seems urgently called for, whether it is negligence or corruption which is responsible for this. Probably it is both.

Remer's splendidly worked out balance of payments, of course, is somewhat unbalanced by the present situation in Manchuria, the one area of China which could be referred to as a "debtor" area, paying out more money than it took in, and with a steady excess of exports over imports. A new balance of payments will not only have to subtract the Manchurian figures, but also to figure the inpayments (mainly into Shantung and Hopeh provinces) in the form of remittances from Chinese in Manchuria. But whatever studies are made from now on, Remer's scholarly study must serve as their basis. It is a work of the most profound importance.

H. H.

A Seventh Century Buddhist Pilgrim

Henri Valentino, Le Voyage d'un Pèrlerin Chinois. Paris, Maisonneuve 3 Rue du Sabot. 18 fcs.

About the beginning of the 7th century a male child was born in an obscure city of Honan. During his boyhood and youth he displayed an intelligence and seriousness unusual in those times. At the earliest age possible, he aspired to the priesthood and became a monk. At the age of 29, he made known his desire to start on a pilgrimage that would lead him to the countries of the origin of the Buddhist religion in order that he might study the original texts and thereby abrogate the errors and abuses that had crept into its practice. Permission being accorded to him he passed the following nineteen years in its pursuit, after which he returned to China and there wrote the famous record that has been handed down to the present day.

The original document was translated by celebrated historian, Stanislas Julien, in 1861-5, at a time when the knowledge of what is now known as British India was scanty and imperfect. The volume now before us by M. Henri Valentino, with a map, brings before the reader a remarkably clear and striking picture of modern Paul. More fortunate than that Grand Old Advertising

THE UNIVERSAL TONIC

For Blood & Nerves

In seventy two countries and under the most varied climatic conditions, Dr. Williams' Pink Pills still maintain the reputation they achieved fifty years ago. Over all this long period sick people have continued to find new health and strength and relief from sickness in the blood-creating, nerve-strengthening properties of this supremely successful remedy.

There have been many emulators of Dr. Williams' Pink Pills; but the formula of this blood and nerve tonic was the great achievement of a distinguished medical practitioner and since its discovery none of its imitators has succeeded in producing anything which so rapidly rehabilitates the blood stream. During the past half century many tests have been made upon the formula of Dr. Williams' Pink Pills. And recently very searching group tests were conducted by a highly qualified physician to guage the exact effect of Dr. Williams' Pink Pills upon the blood-stream of anaemic cases.

The results of these tests demonstrated in a degree which astonished the physician that the formula increased the blood count and improved the percentage of haemoglobin. This means in simple language that the quality and quantity of the blood was improved.

Acting in this way Dr. Williams' Pink Pills have proved themselves definitely to be the specific remedy for anaemia (blood impoverishment) and the group of ailments resulting therefrom, which includes: nerve troubles, dyspepsia and digestive troubles, malnutrition, pallor and emaciation, premature age, physical weakness, back pains, insomnia, rheumatism, sciatica, lumbago, women's ailments. After malaria and other weakening ailments Dr. Williams' Pink Pills also prove an excellent restorative. All chemists can supply you with this genuinely successful blood and nerve tonic.

CUSTOMS NOTIFICATION NO. 1317

The public is hereby notified that, in accordance with Government instructions, the practice hitherto in force whereby small quantities of explosive materials, i.e., not exceeding 2 piculs, have been passed at the discretion of the Commissioner of Customs, if applied for by a reliable firm and declared to be for industrial or medicinal purposes, is now cancelled and that in future all movements of restrictde explosive materials, regardless of the quantity, will be subject to the Ts'ai-cheng Pu Regulations governing the issue of Yüntan to cover movements of sulphur and saltpetre and the National Government regulations governing movement of, and issue of Huchao for, sulphur, saltpetre and other similar restricted explosive materials.

In future, therefore, movements of restricted explosive materials will be permitted only on production of National Government Huchao and Ts'ai-cheng Pu Yüntan, with the exception of intra-provincial movements, which will be allowed upon production of Intra-Provincial Yüntan only.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 5th September, 1933.

Agent, without whom Christianity would have disappeared in the first century, Hiuen Tsang was not called upon to endure persecution and martyrdom, but lived tranquilly in his monastery to a good old age.

Buddhism is popularly supposed to have preceeded Christianity by about 600 years, but according to this record it is nearer to 1000. There was no offensive and domineering Roman Empire, and one cannot but be struck by the eagerness with which all peoples and rulers welcomed the new evangel as presented by the inspired young Chinese. One wonders if—but that is quite another reflection, and leads us away from the present volume.

In spite of his vow of poverty Hiuen Tsang did much of his travelling in state. Kings and potentates were only too willing to furnish him with guards, horses, money and everything that could alleviate the diffculties and dangers of those times. He was in perils oft, but they were the ordinary conditions of the day. He raised no enmities and persecution never approached him. He was simple and obviously honest in his beliefs and the oriental world accepted him at his face value.

R.C.

New Pro-Japanese Journal in Shanghai

The Observer is the title of a newly established monthly magazine printed in an impressive style. The editor is Edward Dunn, who has been connected with local journalism for a number of years. There is a long list of contributors, including Japanese and one Chinese. There is a distinct pro-Japanese flavor to the contents, all of which are of a high-class literary character. In an editorial, it is stated:—"The stage may be said to be set for the final act in the Sino-Japanese drama. There remains only one important actor to carry out his part properly. As this issue comes off the press he will have landed again on his native shore. Will Finance Minister T. V. Soong carry out the realist's policy? General Chiang Kai-shek, Wang Ching-wei and others evidently realize the futility of keeping up a poor semblance of resistance, but the opposition group still advocates a strong stand against Japan. The task of educating this group devolves upon Mr. Soong and with our knowledge of his ability we have no doubt of the outcome. Peace and co-operation with Japan is preferable to outside assistance which can never be realized without Japan's aid."

Anti-Japanese Legislation Again to the Fore in U. S. A.

A strong counter-movement is developing in California against the movement which has been growing in that State for some time in favor of revision of the anti-Japanese Immigration Law. The American Legion of California, and the Hearst papers are carrying on a vigorous campaign against revision of the existing law. Senator McClatchy, from California, who is an anti-Japanese leader, is quoted as saying that in contravention of the spirit of the Gentlemen's Agreement, Japan has managed to treble the Japanese population in America by means of "picture brides" and by other means. The Chamber of Commerce in San Francisco has gone on record as favoring removal of immigration bans to provide quotas for Japan and certain other Asiatic countries. This action followed an address by Kaname Wakasugi, Japanese consul general, who declared before the seminar on international relations in Berkeley that Japan's pride had been hurt by the immigration restrictions.

Szechuen Hit by Worst Earthquake in 100 Years

Belated reports from Szechuen, received in Nanking during the week, stated that tremendous damage resulted from an earthquake which occurred on August 25, The districts of Sungtan, Lifan, Moukung, Mouhsien, and Weichuan, on the upper reaches of the Min River, were the chief sufferers.

The entire town of Tichichen, which extends for ten miles north to south and seventeen east to west, is reported to have caved in, causing a great loss of life. Owing to the severance of communication in the stricken areas, the extent of the damage to property has not yet been assessed, but the disaster is described as the worst in one hundred years. The highway between Sungtan and Mouhsien was rendered impassable, while an avalanche of rocks fell into the Min River and caused the suspension of navigation along its upper reaches. A large number of houses, as well as many bridges, were destroyed.

Japan's Trade with China

(British Chamber of Commerce Journal, Shanghai, for August)

The following figures show Japan's trade with China during the five months ended May 31, 1933 and 1932.

	Exports from Japan		*Imports into Japan*		*Total Imports and Exports*	
	Jan.-Apl. 1933 *Yen*	*Jan.-Apl.* 1932 *Yen*	*Jan.-Apl.* 1933 *Yen*	*Jan.-Apl.* 1932 *Yen*	*Jan.-Apl.* 1933 *Yen*	*Jan.-Apl.* 1932 *Yen*
Manchuria	28,767,000	5,287,000	72,133,000	20,152,000	100,900,000	25,439,000
China	50,716,000	46,559,000	38,834,000	26,541,000	90,550,000	73,100,000
Kwangtung Province ..	78,392,000	40,831,000	7,594,000	51,190,000	85,986,000	92,021,000
Hongkong	9,385,000	5,432,000	809,000	263,000	10,194,000	5,695,000
Total	167,260,000	98,109,000	120,370,000	98,146,000	287,630,000	196,255,000

By Months	*Exports* 1933 *Yen*	1932 *Yen*	*Imports* 1933 *Yen*	1932 *Yen*
January	24,332,000	11,520,000	28,741,000	21,839,000
February	32,263,000	14,144,000	27,019,000	20,404,000
March	40,919,000	23,760,000	25,528,000	20,413,000
April	35,068,000	24,568,000	16,699,000	17,971,000
May	34,678,000	24,118,000	22,363,000	17,518,000
Total	167,260,000	98,110,000	120,350,000	98,145,000

Japan's Total foreign trade for the four months ended April 30, 1933 and 1932 was as follows:—

	1933 *Yen*	1932 *Yen*
Imports	698,775,000	553,300,000
Exports	504,397,000	344,514,000
Total	1,203,172,000	897,814,000

Gen. Chen Chi-tang and Party Leaders at Loggerheads

General Hsiang Han-ping arrived in Hongkong from Canton during the week as the personal representative of General Chen Chi-tang, to urge Messrs. Hsiao Fo-chen, Chou Lu and Teng Cheh-ju, veteran members of the Kuomintang and leading figures of the South-west Political Council, to return to Canton. These veteran Party leaders are conferring with Hu Han-ming every day in the hope of finding a new solution to the Canton situation, but so far no tangible result has been accomplished. The work of the South-west Political Council and the South-west Executive Committee is apparently at a standstill. The Peiping *Morning Post* says that Eugene Chen, who secretly went to Canton last week in an attempt to effect a compromise between General Chen Chi-tang and the Party leaders, has already returned to Hongkong looking very pessimistic.

The *China Times* comments—"So far the so-called South-west Council has done nothing constructive for our country, although it has done many things that have produced very bad effects on the international prestige of China as an independent nation. Their telegrams to the League of Nations opposing the Tangku Truce Agreement and the American Cotton and Wheat Loan, their attack on the foreign policy of the Central Government and their recent opposition to the National Congress have combined to make the South-west a hostile organ to the Central Government. The so-called South-west is composed of three provinces, Kwangtung, Kwangsi and Fukien. The leaders of these provinces are not co-operating closely with each other, although they belong to the same bloc. But in doing things harmful to the nation, they work excellently together."

As the result of a decision at Kuling between Gen. Chiang Kai-shek and Wang Ching-wei, the Central government has accepted the resignation of Gen. Hsiung Shih-hui from the chairmanship of the Kiangse provincial government.

B.A.T. Strike Comes to an End

The strike of 6,000 workers of the No. 1 and No. 2 Pootung factories of the B.A.T. came to an end on the afternoon of Sept. 5, on the orders of Mayor Wu Teh-chen transmitted by O. K. Yui, Secretary General, following conferences with the management and the labor unions. Various details of an agreement are still to be thrashed out, but the men in the meantime are at work.

Workers in 14 Chinese silk factories in Chapei (Shanghai suburb) declared a general strike Sept. 1 in protest against the revision of the wage scale by the factories.

Bandits Decapitate Spanish Priest Near Tungting Lake

It now transpires that the Spanish priest Galleyo, whose murder in the Tungting lake district on August 22 by bandits, was previously reported, was killed by being beheaded within an hour of his capture. The priest's head was partially severed by two strokes of a knife and the work completed by a stab.

Lieutenant General Chang Mei-hsin, commanding the fourth division of the second Kwangtung army reported that his troops had an encounter recently with the Communists near An Yuan. He claims 400 Reds were killed and 30 were captured. Brigadier General Lin Chu-liang, Chief of staff of the 78th division, was sent to Canton by General Tsai Ting-kai, commanding the 19th route army, to consult with the local military leaders on the anti-Communist campaign. General Lin stated that the Reds captured Liencheng primarily to get foodstuff, as they had been starving for weeks.

HOT WEATHER INDIGESTION

This is often caused when meals are eaten despite loss of appetite. If your appetite flags in hot weather try a few doses of Pinkettes, Liver and Laxative Perfection. By cleansing the food tract and toning up the stomach, Pinkettes restore a healthy normal appetite, enable you to enjoy your food and also to digest it properly. Pinkettes, all-vegetable aperient and liver pills, are gentle, natural, non-griping and non-habit-forming. The occasional dose will keep you fit this summer. All chemists can supply you with Pinkettes.

LATEST INFORMATION

If you are interested in China you must be interested in the latest developments in the following fields:

		In China (Chinese Currency)	Abroad (U.S. Currency)
1.	China's Diplomatic Relations (1931-1932: A Survey) ..... By Minchen T. Z. Tyau	.90	$ –.50 cts.
2.	China's Industrial Development: Its Problems and Prospect ..... By C. L. Nieh.....	.90	„ .50
3.	Chinese Government Economic Planning and Reconstruction since 1927 ..... By Gideon Chen.....	.90	„ –.50
4.	The Distribution of Population and Land Utilization in China... By W. H. Wong	.90	„ –.50
5.	The Position of China as a Producer of Raw Materials and a Consumer of Manufactured Products ..... By Djang Siao-mei ...	.90	„ –.50
6.	The Present Agrarian Problem in China .... By Chen Han–seng ..	.90	„ –.50
7.	Rural Industries in China ..... By H. D. Fong	.90	„ –.50
8.	Facing Labor Issues in China ..... By C. H. Lowe	$2.70	„ 1.25
9.	Shanghai Industrialization: Report based on investigations of China Institute of Economic and Statistical Research, National Government Directorate General of Budgets, Ministry of Industries, National Tariff Commission, Shanghai Bureau of Social Affairs and Chaotung University, by D. K. Lieu	$1.15	„ –.60
10.	Silk Reeling Industry in Shanghai: Based on extensive survey by the China Institute of Economic and Statistical Research, made from May to July, 1931, supplemented by second survey during the same months of 1932, covers quality of silk produced, productive capacity of filiatures, number of reels, etc., by D. K. Lieu	$2.15	„ –.95

These pamphlets ranging from 12 to 200 pages were written by Chinese specialists in their respective lines. They were prepared for presentation at the Conference of the Institute of Pacific Relations at Banff, Canada. Those desiring copies, should send their orders with draft or postal money-order attached to the undersigned.

THE CHINA WEEKLY REVIEW

38 Avenue Edward VII

Shanghai.

How to PREVENT Childhood Ailments

Because it is a vital truth that prevention is better than cure, countless parents all over the world give their little ones an occasional dose of Baby's Own Tablets. In the old days a weekly dose of castor oil or other purgative was a common practice . But nowadays parents do not need to torture the little ones with these harsh, crude purgatives. The modern remedy is Baby's Own Tablets.

To avoid many of the ills of childhood parents should take special note of a child's natural functions. At the first sign of constipation or loss of appetite or general "off colour" a dose of Baby's Own Tablets will immediately put matters right. In this way Baby's Own Tablets prevent ailments from taking hold, and much pain, worry and expense are avoided.

For children who suffer from stomach or bowel troubles, flatulence, indigestion, croup, colic, feverishness, colds, diarrhoea or worms, there is nothing more effective or more pleasant to take than this infantile remedy. Designed from a doctor's prescription Baby's Own Tablets are absolutely safe and harmless. You can rely with every confidence upon Baby's Own Tablets to keep your children well. All chemists can supply you.

Real Estate Review of Central District, by Realty Investment

Judging by the amount of building going on in, and near the business district, Shanghai will soon be a city of new buildings.

Buildings under construction in the Central District at the present time are progressing very favorably—several being very near completion, while at several different places in the district it is apparent that building will be started in the near future.

Rentals continue to be good in this district and will undoubtedly show an increase during the month of September.

RECENT SALES

7 Mow of land and a house on Great Western Road has been sold for Tls. 145,000.—

4 Mow on Lincoln Avenue (Title Deed) for Tls. 4250.— per mow.

ONLY A FEW COPIES LEFT

The *Review* still has on hand a few copies of the following books dealing with Pacific and Far Eastern Affairs:

"Problems of the Pacific" by Bruno Lasker; standard book of reference for those interested in the complicated affairs of the Far East .....Price M.$15.00

"Symposium on Chinese Culture," by Sophia Chen Zen .....Price M.$ 7.50

"Essays on the Manchurian Problem," by Shuhsi Hsu .....Price M.$ 7.50

Add 25-cts. for postage in China or $1.40 if to be mailed abroad.

THE CHINA WEEKLY REVIEW

38 Avenue Edward VII
Shanghai

A.B.C. PRESS, SHANGHAI

Printing in all its Branches

Your work should bear our imprint

The National City Bank of New York, Rates of Exchange

Shanghai, Sept. 6, 1933.

Demand selling rate on America:	U.S. $100=Sh. $346.32
Demand buying rate on America:	U.S.$100=Sh. $342.61
Demand selling rate on London:	£1.0.0=Sh. $ 15.80
Demand buying rate on London:	£1.0.0=Sh. $ 15.60

66-088

Latest New York Stock Exchange Quotations

Market—Weak — Business Done 1,250,000 Shares

September 6, 1933

1932-3 High	Low	Div.$ per Sh.	STOCKS	Fri. Sept. 1	Tue. Sept. 5
18¼	1⅝	—	Adams Express	11	10½
32	7⅜	.60	Alaska Juneau	30¾	29¾
142¾	42½	6.00	Allied Chemical & Dye	140	133
97½	29⅝	4.00	American Can	92¼	90
19⅝	2	—	American & Foreign Power	14⅛	13⅜
44⅞	5	—	American & Foreign Power 7% Pfd.	29⅛	29
13⅛	1⅛	—	American & Foreign Power Warr.	9⅛	9
23⅝	1¼	—	American Metal Co.	20¾	20
42¼	5⅛	—	American Smelting	39	37½
137¾	69¾	9.00	American Telephone & Telegraph	127½	126¼
94¾	44	5.00	American Tobacco "B"	91⅝	91¼
43¼	11	1.00	American Waterworks	Unq.	28
22⅞	3	—	Anaconda Copper	18	17
18⅝	4¼	—	Atlas Corporation	14⅜	14⅝
151¾	28¾	2.00	Auburn Automobiles	61½	58½
37⅞	3¾	—	Baltimore & Ohio	35⅛	34
49¼	7¼	—	Bethlehem Steel	40⅛	33½
43⅛	18	1.60	Borden Company	27¾	27
21⅝	3⅜	—	Borg Warner	19¾	18¾
20⅞	7¼		Canadian Pacific Railway	17	16⅝
103½	16¾	—	Case, J. I.	77⅞	73⅞
47⅞	19	1.40	Chase National Bank	26⅞	26½
52⅛	4⅞	2.00	Chesapeake Corp.	Unq.	46
47	5	.50	Chrysler Corp.	45	43¾
28⅛	4¼	.80	Columbia Gas & Electric	19⅜	18½
7⅝	1⅜	—	Commonwealth & Southern	8¼	Unq.
68¾	31½	3.40	Consolidated Gas of N. Y.	49⅞	48
19½	3⅝	—	Continental Oil	19⅝	18¼
90½	24¾	3.00	Corn Products	88	85¾
7½	1½	—	Coty Inc.	5¼	5⅛
4⅜	⅞	—	Curtiss Wright Company	3⅜	3¼
18⅝	5	.75	Douglas Aircraft	15¼	15¼
69½	23	3.00	Drug Incorporated	46	44
85¾	22	2.00	Du Pont de Nemours	81⅞	79½
89¾	35¼	3.00	Eastman Kodak	84⅞	83
48	5	6%S	Electric Bond & Share	25¾	24
18	2¾	—	Electric Power & Light	9⅜	9¼
		—	Fox Film	14⅝	14½
10¾	2⅞	—	General Aviation	8¾	8¾
30¼	8½	.40	General Electric	25¼	24⅛
40⅛	19⅝	1.80	General Foods	38	37⅞
34¼	7⅜	1.00	General Motors	34¼	32⅞
49½	6½	1.00	General Railway Signal	Unq.	40
27⅜	8¼	1.20	Gold Dust	23	22⅝
47½	5¼	—	Goodyear Tire & Rubber	39⅜	37⅝
40	3⅝	—	International Cement	34½	34
46	10⅝	.60	International Harvester	41⅞	39⅛
22	3¼	—	International Nickel	20¾	20
21¾	2⅝	—	International Telephone & Telegraph	17¾	16
60¾	10	—	Johns Manville	57	53½
25⅞	4⅞	—	Kennecott	23½	21¼
79⅜	30½	2.40	Lehman Corporation	Unq.	71½
97⅝	31¼	*4.00	Liggett & Myers, "B"	96¼	95
37¾	8½	1.00	Loew's: Inc.	33½	31
29¼	9	1.20	Lorillard P Co. (Com.)	22¾	22½
37⅞	12	1.00	McIntyre Porcupine	34⅞	35¼
28⅞	3¼	—	Montgomery Ward	25⅞	24⅜
84¼	19¾	1.00	National City Bank (bid price)	29⅝	28¾
124⅞	13	—	National Distillers	94¾	91⅛
58½	8¾	—	New York Central	51⅝	48
43¼	13¾	8%S	North American Company	25	24½
96¾	12	2.00	Owens Illinois Glass	82	81
37	18¾	2.00	Pacific Gas & Electric	24	23
6⅞	1¼	—	Packard Motors	5¼	5¼
42¼	6½	.50	Pennsylvania Railroad	38	36½
6⅛	1	—	Pennroad Corporation	4	3⅞
17⅞	2	—	Phillips Petroleum	17¼	16⅝
13½	2⅛	—	Radio Corporation	9⅜	9
7¾	1	—	Radio-Keith Orpheum	3½	3⅜
53⅝	26½	5.00	Reynolds Tobacco "B"	51¼	52½
47	9⅞	—	Sears Roebuck	42⅞	40¼
11⅝	2½	—	Shell Union	9⅝	9
15½	5¼	—	Socony-Vacuum Corp	13¾	13½
32¾	15¾	2.00	Southern California Edison	20½	20
34¼	5½	—	Standard Gas & Electric	15¼	14¾
41¼	19⅞	1.00	Standard Oil Co., of N. Jersey	41⅝	40½
28⅝	9¾	1.00	Texas Corporation	27⅝	26¾
34⅞	12	1.00	Texas Gulf Sulphur	32⅞	30⅜
9⅛	2⅛	—	Trans America	7¼	7⅛
51⅞	15½	1.00	Union Carbide & Carbon	48¾	46
32	27⅝	6.00	Union Pacific	129	125⅛
146⅞	6½	—	United Aircraft & Trans.	38⅞	37
14½	3½	—	United Corporation	9½	8⅛
25	9¼	1.20	United Gas Improvement	19½	19⅜
25	1¼	—	U. S Rubber	18¾	18¼
67½	21¼	—	U. S. Steel	53⅜	53½
51½	11	*2.00	Universal Leaf Tobacco	Unq.	46¾
36¼	5¼	—	Vanadium	27	25¾
8⅝	½	—	Warner Bros. Pictures	8⅛	7⅝
53¾	15⅝	—	Westinghouse E. & M.	46⅛	44⅞
50⅞	22	2.40	Woolworth	39⅞	38⅝

*Plus Extras — Call Money ¾% ¾%

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